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REGULAR MEETING  
GOVERNMENT EFFICIENCY AND LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JANUARY 9, 1996 - 1:00 P.M.

Veterans Building  
401 Van Ness Ave., Room 410

PRESENT: Supervisors Tom Ammiano, Mabel Teng

CLERK: Gail Johnson

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item.
  - (a) File 150-94-2.1. [Reserved Funds, Recreation and Parks Department] Hearing to consider release of reserved funds, Recreation and Park Department (Intermodal Surface Transportation Funds), in the amount of \$571,053, for the Beach Chalet Renovation Project. (Supervisor Shelley)
  - (b) File 146-96-1. [State Grant, STD Prevention & Control Program] Resolution authorizing the Department of Public Health, Community Public Health Services, to accept and expend a grant of 33,562, which includes no indirect costs, from the California Department of Health Services, STD Control Branch, for STD Outreach, Education and Referral Services; waiving indirect costs. (Supervisor Alioto)
  - (c) File 147-96-1. [State Grant - Major Urban Resource Libraries] Resolution authorizing the San Francisco Public Library to apply for, accept and expend funds not to exceed \$64,645 available through the California State Library from Title I of the Library Services and Construction Act for Major Urban Resource Libraries for fiscal year 1995-96; waiving indirect costs. (Supervisor Alioto)
  - (d) File 147-96-2. [State Grant - Project Read] Resolution authorizing the City Librarian to apply retroactively for, accept and expend funds from the California State Library for student/tutor support, and outreach services; indirect costs of five percent are contained in this grant. (Supervisor Alioto)
  - (e) File 148-96-1. [Federal Grant, Southwest Gateway Improvements] Resolution authorizing the Department of Public Works to apply for, accept and expend retroactively, grant funding in the amount of \$265,500 from the Federal Highway Administration through the California Department of Transportation, for providing direct and indirect costs in the landscape enhancement for the southwest gateway. (Department of Public Works)

- (f) File 212-96-1. [Federal Grant, Emergency Operations Plan] Resolution authorizing the Director of the Department of Building Inspection and other designated Department officials to execute and file, on behalf of the City and County of San Francisco, Department of Building Inspection, an application to apply for federal financial assistance under the Robert T. Stafford Federal Disaster Relief and Emergency Assistance Act for funds to mitigate the impact of hazards from natural disasters such as earthquake, rain and wind storms. (Building Inspection Commission)
- (g) File 133-94-1.1. [Grant, Alternative Fuel Vehicles] Resolution authorizing the Director of Purchasing to accept and expend \$290,338 from the Transportation Fund for Clean Air for alternative fuel vehicles; and authorizing the Director of Purchasing to execute an agreement with the Bay Area Air Quality Management District whereby the City would indemnify the district from claims resulting from the City's performance of said agreement. (Supervisor Leal)

ACTION: Items (a), (c) and (e) removed from Consent Calendar. Remainder of Consent Calendar recommended

- a. File 150-94-2.1. Hearing held. Release of \$571,053 approved. Filed.
- b. File 146-96-1. Recommended.
- c. File 147-96-1. Hearing held. Amended on lines 2 and 15, after "for," by adding "retroactively." Recommended as amended. New title: "Authorizing the San Francisco Public Library to apply for, retroactively, accept and expend funds not to exceed \$64,645 available through the California State Library from Title I of the Library Services and Construction Act for Major Urban Resource Libraries for fiscal year 1995-96; waiving indirect costs." (Supervisor Teng added as co-sponsor.)
- d. File 147-96-2. Recommended. (Supervisor Teng added as co-sponsor.)
- e. File 148-96-1. Hearing held. Amended. (See file for details.) Recommended as amended. New title: "Authorizing the Department of Public Works to apply for, retroactively, accept and expend grant funding in the amount of \$240,000 from the Federal Highway Administration through the California Department of Transportation, for providing direct and indirect costs in the landscape enhancement for the southwest gateway; placing \$240,000 on reserve."
- f. File 212-96-1. Recommended. (Supervisor Teng added as sponsor.)
- g. File 133-94-1.1. Recommended. (Supervisor Teng added as co-sponsor.)

REGULAR CALENDAR

2. File 68-95-5.1. [Small Business Revolving Loan Program] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept, and expend a loan of Section 108 loan guarantee funds in a total amount not to exceed Fifty Million Dollars (\$50,000,000) and an associated grant of Economic Development Initiative Funds in a total amount not to exceed One Million Dollars (\$1,000,000), both from the U.S. Department of Housing and Urban Development for a Small Business Revolving Loan Program authorized under Section 108 of the Housing and Community Development Act of 1974, as amended and secured with Community Development Block Grant Program funds; indirect costs associated with the acceptance of the loan funds will be provided from the Community Development Block Grant Program; rescinding Resolution No. 315-95. (Mayor's Office of Community Development)

ACTION: Hearing held. Amended on page 1, line 1, after "authorizing," by adding "retroactive to June 15, 1995 ." Further amended on page 2, lines 6 and 12, after "authorize," by adding "retroactive to June 15, 1995." Recommended as amended. New title: "Authorizing, retroactive to June 15, 1995, the Mayor of the City and County of San Francisco to apply for, accept, and expend a loan of Section 108 loan guarantee funds in a total amount not to exceed Fifty Million Dollars (\$50,000,000) and an associated grant of Economic Development Initiative Funds in a total amount not to exceed One Million Dollars (\$1,000,000), both from the U.S. Department of Housing and Urban Development for a Small Business Revolving Loan Program authorized under Section 108 of the Housing and Community Development Act of 1974, as amended and secured with Community Development Block Grant Program funds; indirect costs associated with the acceptance of the loan funds will be provided from the Community Development Block Grant Program; rescinding Resolution No. 315-95." (Supervisor Teng added as sponsor.)

3. File 27-95-21. [Airport Lease Modification No. 002, FAA] Ordinance approving Modification No. 002 of FAA Lease No. DOT-FA76WE-3702A between the United States of America (FAA) and City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended.

4. File 27-96-1. [Airport Lease Modification, FAA] Ordinance approving lease number DTFA08-95-L-14707, CAT III ILS Localizer Runway 28R between the United States of America, Federal Aviation Administration (FAA) and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Amended on line 4, after "approving," and on line 12, after "approves," by adding "retroactively." Recommended as amended. New title: "Approving, retroactively, lease number DTFA08-95-L-14707, CAT III ILS Localizer Runway 28R between the United States of America, Federal Aviation Administration (FAA) and the City and County of San Francisco, acting by and through its Airports Commission."

5. File 65-96-1. [Land Lease, SFUSD - PTC] Resolution approving the land lease with the San Francisco Unified School District for operating and maintaining an operator restroom at the Marina Middle School site for a term of 35 years and an annual rent of One Dollar (\$1.00). (Public Transportation Commission)

ACTION: Hearing held. Amendment of the Whole (ordinance) adopted.  
Recommended as amended. New title: "Ordinance authorizing and approving a thirty-five year lease with the San Francisco Unified School District, of certain school district property, located at Marina Middle School; and ratifying previous actions."

6. File 150-95-6. [Federal Grant, Twin Peaks Loop Trail] Resolution authorizing the Recreation and Park Department to apply for grant funds of \$750,000, waiving indirect costs, from the Intermodal Surface Transportation Efficiency Act, Transportation Enhancement Funds, for development of the Twin Peaks Loop Trail. (Supervisor Leal)

ACTION: Amended on page 1, line 3, after "authorizing," and on page 2, line 6, after "approves," by adding "retroactively." Recommended as amended. New title: "Authorizing, retroactively, the Recreation and Park Department to apply for grant funds of \$750,000, waiving indirect costs, from the Intermodal Surface Transportation Efficiency Act, Transportation Enhancement Funds, for development of the Twin Peaks Loop Trail." (Supervisor Teng added as co-sponsor.)

7. File 172-96-1. [Medical Services Agreement] Resolution authorizing the Director of Health to execute an agreement, including indemnification, with PacifiCare of California for the provision of medical services to employees of the University of California enrolled in the PacifiCare Health Plan effective retroactively to January 1, 1996. (Also see File 97-94-76.) (Department of Public Health)

ACTION: Hearing held. Recommended.

### LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

8. File 45-96-1. [Noemy Rincon v. CCSF, et al.] Ordinance authorizing settlement of litigation of Noemy Rincon against the City and County of San Francisco by payment of \$85,000. (Superior Court No. 957-725.) (City Attorney)

ACTION: Recommended.



9. File 45-96-2. [Gerardo Dejelo/Antonia Dejelo v. CCSF] Ordinance authorizing settlement of litigation of Gerardo Dejelo and Antonia Dejelo against the City and County of San Francisco and Robert Johnston by payment of \$200,000. (Superior Court No. 951-919.) (City Attorney)

ACTION: Recommended.

10. File 45-96-3. [Emilya Yudson vs. CCSF, et al.] Ordinance authorizing settlement of litigation of Emilya Yudson against the City and County of San Francisco by payment of \$10,000. (Superior Court No. 965-454.) (City Attorney)

ACTION: Recommended.

11. File 46-96-1. [Cross Complaint, Lavella v. CCSF] Ordinance authorizing settlement of litigation of the City's cross-complaint in Michael Lavella, et al. v. City and County of San Francisco, et al., upon the receipt of \$42,500.86. (Superior Court No. 955-038.) (City Attorney)

ACTION: Recommended.

12. File 46-96-2. [Settlement, Modesto/Turlock Irrigation Districts] Ordinance authorizing settlement of regulatory proceeding before the Federal Energy Regulatory Commission involving increased flows and fishery resource protection costs for the Lower Tuolumne River with costs not to exceed \$2,420,000 and payment to the Modesto and Turlock Irrigation Districts of \$3.5 million per year, with an escalation rate effective year 6. (Supervisor Shelley)

ACTION: Recommended.

13. File 48-95-32. [Settlement of Claim, Laidlaw Transportation] Resolution approving the settlement of the unlitigated claim of Laidlaw Transportation by payment of \$27,647.01. (City Attorney)

ACTION: Recommended.

14. File 48-95-33. [Settlement of Claim, Lei Ming He/Li Ming Yuan] Resolution approving the settlement of the unlitigated claims of Lei Ming He and Li Ming Yuan by payment of \$21,000. (City Attorney)

ACTION: Recommended.

15. File 48-95-34. [Settlement of Claim, Nathan Smidt] Resolution approving the settlement of the unlitigated claim of Nathan Smidt by payment of \$20,000. (City Attorney)

ACTION: Recommended.

16. File 48-96-1. [Settlement of Claim, Iliana Segura] Resolution approving the settlement of the unlitigated claim of Iliana Segura by payment of \$8,728.37. (City Attorney)

ACTION: Recommended.

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

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Attn: Kate Wingerson

CITY AND COUNTY



OF SAN FRANCISCO

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## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

JAN 23 1996

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January 19, 1996

**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendations for mtg of*  
**SUBJECT:** January 23, 1996 Government Efficiency and Labor Committee Meeting

Item 1 - File 188-95-1

**Department:** Public Utilities Commission (PUC)  
Water Department

**Item:** Resolution authorizing a Hold Harmless Agreement between the City and Alameda County pertaining to potential actions challenging the validity of land use entitlements requested for the San Francisco Water Department's Bernal Property.

**Description:** On September 8, 1994, the Water Department filed a development application with Alameda County for (a) zoning, (b) a Specific Plan, (c) a master tentative map, and (d) a development agreement for a mixed use development project in connection with City-owned property located immediately adjacent to the City of Pleasanton near Interstate 680 and Bernal Avenue, in an unincorporated area of Alameda County. This property, known as the Bernal Property, is approximately 508 acres of land owned by the Water Department that is surplus to the Water Department's needs.

In March of 1995, a draft Environmental Impact Report (EIR) and Specific Plan for the property were published by Alameda County. In October of 1995, based on public comment, a recirculated draft EIR was published. The public comment period on the recirculated EIR closed on November

30, 1995. According to Mr. Rick Nelson, Project Manager of the PUC, the PUC anticipates that Alameda County will take final action with respect to the approval of the development application for the Bernal Property project by late spring or early summer of 1996.

The PUC reports that Alameda County requires every project sponsor seeking approval of a development in Alameda County to indemnify Alameda County against any third party lawsuit arising from Alameda County's approval of said project.

The proposed Hold Harmless Agreement would provide that the City, or its successor in interest to the property, shall (1) reimburse Alameda County for reasonable expenses incurred by Alameda County's County Counsel resulting from any legal action which challenges the validity of any provision of the development agreement, the actual project or the project proposals for Bernal Property project and (2) hold Alameda County harmless from any liability incurred by Alameda County as the result of any such legal actions or proceedings, including any award to opposing attorneys.

**Comment:** Ms. Noreen Ambrose of the City Attorney's Office advises that the proposed Hold Harmless Agreement would not place the City at undue risk and that it is reasonable for the City to enter into the Agreement as it is drafted.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 3 - File 97-95-68

**Department:** Retirement System

**Item:** Ordinance amending the Administrative Code by adding Section 16.29-7.5 regarding Internal Revenue Code Section 401(a)(17).

**Description:** The proposed ordinance would amend the City's Administrative Code to bring the City into compliance with Internal Revenue Service (IRS) Code Section 401(a)(17), which governs certain provisions of qualified public employee retirement plans. Section 401(a)(17) establishes a limit, for the purposes of calculating retirement benefits, of \$150,000 annually on the allowable compensation amount for individuals who become members of the Employees Retirement System after July 1, 1996. The IRS code provides that this limit may be adjusted periodically by the U.S. Secretary of the Treasury to reflect increases in the cost of living.

Section 401(a)(17) of the IRS Code also contains a "grandfather" clause which protects the rights and the vested retirement benefits of members of the Employees Retirement System who were earning compensation greater than \$150,000 annually prior to the original date of enactment, in 1991, of this section of the IRS Code. Ms. Clare Murphy, General Manager of the Employees Retirement System, advises that the Employees Retirement System has only one member in this category.

**Comment:** There is no fiscal impact to the City under the proposed ordinance.

**Recommendation:** Approve the proposed ordinance.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 6 - File 148-92-7.8

**Departments:** Fire Department  
Department of Public Works (DPW)

**Item:** Release of reserved funds for the Fire Department in the amount of \$34,424, for the purpose of installing an emergency generator at Fire Station No. 39.

**Amount:** \$34,424

**Source of Funds:** State Hazard Mitigation Grants

**Description:** The Board of Supervisors previously approved legislation authorizing the Department of Public Works, on behalf of the Fire Department, to accept and expend State Hazard Mitigation Grants totaling \$4,971,500 for the installation of emergency generators at 20 Fire Stations, and for seismic upgrading at Laguna Honda Hospital, San Francisco General Hospital, and at six Fire Stations. The Board placed \$4,798,964 of the \$4,971,500 on reserve pending selection of contractors, the MBE/WBE status of the contractors and contract cost details.

The Fire Department is now requesting that \$34,424 of the reserved funds which are earmarked for the installation of emergency generators at 20 Fire Stations be released to partially pay for the installation of an emergency generator at Fire Station No. 39, located at 1091 Portola Drive. The Fire Department advises that the total cost of the installation of the emergency generator is \$68,848. A release of reserved 1986 Fire Protection Bond funds to provide the required balance of \$34,424 has previously been approved by the Budget Committee of the Board of Supervisors (See Comment).

The Fire Department advises that the installation of the emergency generator will be performed in conjunction with the scheduled overall renovation of Fire Station No. 39, at a total estimated project cost of \$1,648,348 (See Comment). The scope of work for this project includes seismic strengthening, disabled access improvements, asbestos abatement, construction of separate dormitory and restroom facilities for male and female firefighters, and various interior and exterior improvements. The DPW, through its Invitation for Bids process, has selected Chiang C. M. Construction Inc. as the lowest responsible bidder, based on a base bid amount of \$1,256,720, to provide the necessary

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

construction work (including the installation of the emergency generator) for this facility. Chiang C. M. Construction Inc., is an MBE firm.

**Budget:** The total estimated cost of \$68,848 for the installation of the emergency generator, is detailed below:

**Construction Contract**

Emergency Generator installation	\$56,348
----------------------------------	----------

**City Staff**

DPW Contract Administration	
5268 Architect (26 hrs. @ \$77 per/hr.)	\$2,000
DPW Construction Management	
5364 Engineer (43 hrs. @\$75 per/hr.)	3,200
6331 Inspector (64 hrs. @\$75 per/hr.)	4,800
Real Estate Department (lump sum cost to investigate encroachment of adjacent owner)	<u>2,500</u>
Sub-total	<u>12,500</u>
Total	\$68,848

**Comment:** As noted above, the overall cost of the renovation of Fire Station No. 39 is \$1,648,348, including \$68,848 for the installation of an emergency generator, which is partially funded under the proposed subject request. The Fire Station No. 39 project will be fully funded through; (a) the proposed subject release of State Hazard Mitigation grant funds in the amount of \$34,424 (File 148-92-7.8), (b) a release of 1986 Fire Protection Bond funds in the amount of \$34,424 which has been approved by the Budget Committee of the Board of Supervisors (File 101-92-33.6), (c) a release of 1992 Fire Protection Bond Funds in the amount of \$1,279,500 which has been approved by the Budget Committee of the Board of Supervisors (File 101-92-60.10), and, (d) a pending supplemental appropriation request for \$300,000 in 1992 Fire Protection Bond Funds to fund construction management and construction contingency costs for the project. This latter request has been submitted to the Mayor by the Fire Department.

**Recommendation:** Approve the proposed release of reserved funds as requested.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
January 23, 1996 Government Efficiency and Labor Committee Meeting

Item 7 - File 27-96-2

**Department:** Airport

**Item:** Ordinance approving Modification No. 7 of the Lease and Use Agreement between American Airlines, Inc. and the City and County of San Francisco.

**Effective Date of  
Lease Modification:** June 1, 1995

**Description:** On July 1, 1981, American Airlines, Inc. and the City and County of San Francisco entered into a 30-year Lease and Use Agreement (Agreement) for American Airlines to lease from the Airport certain space in the North and International Terminal Buildings.

The proposed lease modification would allow the Airport to correct the measurements of the space actually being leased to American Airlines under the Agreement in Categories I through IV.

Airport space categories are defined as follows:

Category I	Ticket Counters and Hold Rooms (waiting areas by gates)
Category II	Ticket Counter Back Offices, VIP Clubs, Baggage Claim Lobbies
Category III	Administrative and Operations Offices (including storage space)
Category IV	Baggage Handling Areas

Mr. Bob Rhoades of the Airport advises that the space measurements contained in the Agreement with American Airlines for the above-mentioned categories were originally based on construction drawings. Mr. Rhoades states that the Airport has determined, based on recent measurements of these premises, that the space measurements contained in the Agreement are inaccurate. As such, the Airport is proposing to modify the Agreement to include the actual space measurements, as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
January 23, 1996 Government Efficiency and Labor Committee Meeting

	Measurements Contained in <u>Agreement</u>	Proposed <u>Measurements</u>
Category I	25,890 Sq. Ft.	24,916 Sq. Ft.
Category II	32,455 Sq. Ft.	30,588 Sq. Ft.
Category III	37,606 Sq. Ft.	38,204 Sq. Ft.
Category IV	<u>41,626 Sq. Ft.</u>	<u>42,328 Sq. Ft.</u>
Total Sq. Ft.	137,577 Sq. Ft.	136,036 Sq. Ft.

The total actual square footage for American Airlines for the Categories noted above is 136,036 sq. ft. or 1,541 sq. ft. less than the 137,577 in the original agreement. Although normally a reduction in lease space would result in American Airlines paying less revenue to the Airport, based on the increased 1995-1996 rates and charges for leased space at the Airport, as previously approved by the Board of Supervisors, American Airlines will pay an additional \$51,078 annually to the Airport, according to Mr. Rhoades. Mr. Rhoades advises that the lease rates for each effected Category are as follows:

<u>Category</u>	Rate Charged per <u>Sq. Ft./Year</u>
I	\$49.99
II	\$37.49
IV	\$12.50

According to Mr. Rhoades, overall Airport revenues will not be effected because the costs of the adjustments to the space occupied by American Airlines will be spread among the other Airlines using the Terminal Complex.

**Comments:**

As noted above, the effective date of the proposed lease modification is June 1, 1995. As such, the proposed legislation should be amended to authorize approval of the lease modification retroactively.

**Recommendation:**

Amend the proposed ordinance to authorize retroactive approval of the proposed lease modification and approve the ordinance as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 8 - File 97-96-1

**Department:** Department of Agriculture and Weights and Measures

**Item:** Ordinance amending Section 9A.12 of the San Francisco Administrative Code to allow the Farmers' Market to operate on Sundays.

**Description:** The Department of Agriculture and Weights and Measures advises that the Farmer's Market currently operates Monday through Friday from 9:00 am to 4:00 pm and from 7:00 am to 5:00 pm on Saturday. Section 9A.12 of the Administrative Code, currently prohibits the operation of the Farmers' Market on Sundays.

Mr. David Frieders, Agricultural Commissioner, Director of Weights and Measures advises that the Department of Agriculture and Weights and Measures has been considering various options to expand the operations of the Farmers' Market and is currently reviewing a proposal from the Marin County Antique Association (Association) to rent space at the Farmers' Market on Sundays to sell antiques. According to Mr. Frieders, the Association has advised the Department of Agriculture and Weights and Measures that, based on the Association's experience, Sundays are optimum days for selling antiques. The proposed ordinance would amend Section 9A.12 of the Administrative Code to allow the Farmers' Market to operate on Sundays.

**Comments:**

1. Mr. Frieders advises that the Association would be charged an, as yet undetermined, fee to rent space at the Farmers' Market. Mr. Frieders states that the revenues generated from this fee would be used to pay for operating and maintenance costs associated with operating the Farmer's Market for an additional day. According to Mr. Frieders, the existing fees (see Attachment I) which are charged to the current Farmers' Market vendors would remain the same. Mr. Frieders reports that the fees charged to the current vendors generated approximately \$235,000 in revenues for FY 1994-95.
2. Mr. Frieders advises that irrespective of the Department of Agriculture and Weights and Measures' decision on the Association's proposal to rent space at the Farmers' Market for purposes of selling antiques, the Department believes that the option of operating the Farmers' Market on Sundays should result in estimated increased revenues to Farmer's Market of at least \$40,000 annually.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. Mr. Frieders notes that although the Department of Agriculture and Weights and Measures is considering initially selling antiques only at the Farmers' Market on Sundays, the Department is also considering the option of selling both food products (e. g., meats, fish, fruits and vegetables) as well as antiques on Sundays in the future.

4. Attachment II is a memo from Mr. Frieders pertaining to the subject request.

**Recommendation:** Approve the proposed ordinance.



### Farmers Market Fee Schedule

<u>Daily Stall Fee</u>	<u>Fee</u>
1	10
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	90
10	100
11	110
12	120
13	130
14	140
15	150
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88	880
89	890
90	900
91	910
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94	940
95	950
96	960
97	970
98	980
99	990
100	1000

June 1 - November 30

Monday - Wednesday	\$5.50
Thursday	5.50
Friday	11.00
Saturday	19.00

December 1 - May 31

Monday - Wednesday	4.50
Thursday	4.50
Friday	8.50
Saturday	14.00

Entrance Tonnage Fee\*

First 1,000 pounds or fraction thereof	\$4.00
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Second 1,000 pounds or fraction thereof	3.00
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Each additional 2,000 pounds or fraction thereof	5.00
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## CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF AGRICULTURE  
AND  
WEIGHTS AND MEASURES

David C. Frieders  
Agricultural Commissioner  
Director of Weights and Measures

Fred W. Crowder  
Assistant Agricultural Commissioner  
Assistant Director of Weights and Measures

## MEMORANDUM

TO: Harvey Rose, Budget Analyst

FROM: ✓ David C. Frieders, Agricultural Commissioner/  
Director of Weights and Measures

DATE: January 17, 1996

SUBJECT: Amended Legislation Alemany Farmers' Market

*In response to your request, I am clarifying my request to amend current legislation for use of the Alemany Farmers' Market on Sundays. As legislation is written, I do not have the flexibility to maximize the use of the property, thus reducing any opportunities of generating additional revenues on Sundays. Currently I have been approached by an association of antique dealers requesting to rent space at the market to sell antiques on Sundays. Although their proposal looks very inviting, this request would not prevent me from considering other proposals. Historically, for the past 50 years, the market has recieved requests from vendors to rent space and has honored those requests. This will be a continuance of that current market practice. If you have any questions, I can be reached at 285-5010.*

Department of Agriculture  
501 Cesar Chavez, Suite 109-A  
San Francisco, CA 94124  
(415) 285-5010

Alemany Farmer's Market  
100 Alemany Blvd.  
San Francisco, CA 94110  
(415) 647-9423

Weights and Measures  
501 Cesar Chavez, Suite 109-A  
San Francisco, CA 94124  
(415) 285-5012

Item 9 - File 106-95-2.1

**Department:** Department of Human Resources (DHR)

**Item:** Ordinance amending Ordinance No. 136-95 to correct a clerical error to the provisions setting the City's contribution to Health Insurance for unrepresented employees for FY 1995-96.

**Description:** The Board of Supervisors previously approved an Ordinance No. 136-95 (File 106-95-2) setting schedules of compensation and other economic benefits for unrepresented employees for FY 1995-96. The DHR now advises that this ordinance contains a clerical error in the Health and Welfare and Dental Insurance provision. The proposed ordinance would correct this clerical error.

The language in the Health and Welfare and Dental Insurance provision currently reads "The City will contribute an additional \$50.00 per month effective 10/01/95 for an employees dependent health care coverage; effective 1/1/96, \$75 per month".

The proposed ordinance would correct this provision to read "The City will contribute an additional \$50.00 per month effective 10/01/95 for an employees dependent health care coverage; effective 1/1/96, an additional \$75 per month".

According to the DHR, the proposed corrected language is for purposes of clarity and conforms with the original intent of the provision. As such, the proposed amendment would have no fiscal impact on the City.

**Recommendation:** Approve the proposed ordinance.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Government Efficiency and Labor Committee  
October 24, 1995 Government Efficiency and Labor Committee Meeting

Items 10 and 11 - Files 199-96-1 and 124-96-2

**Department:** Department of Parking and Traffic  
Parking Authority

**Item:** Ordinance amending Section 32.2 of Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) to require a permit to park in additional areas adjacent to San Francisco General Hospital. (File 124-96-2)

Resolution approving the transfer of jurisdiction and control over certain parking lots located within San Francisco General Hospital Medical Center to the Parking Authority; approving the Memorandum of Understanding between the City and the Parking Authority regarding the creation and management of a parking system for the San Francisco General Hospital Medical Center; authorizing the Parking Authority to seek bids for the management of the parking system; approving the form of the bid documents; and appointing City officials to act as agents of the Parking Authority. (199-96-1)

**Description:** In December, 1994, the San Francisco Parking Authority sold \$25 million in Parking Meter Revenue Bonds to finance parking projects in the City, including constructing an 800-space parking garage near San Francisco General Hospital. The garage is scheduled to be completed in May, 1996.

The proposed legislation would effect a number of measures that would result in revenue to support the debt financing costs for the Parking Authority Meter Revenue Bonds. Specifically, the proposed ordinance would require a special hospital parking permit to park in street areas within the property lines of SFGH (see Comment 1) (File 124-96-2). The proposed resolution (File 199-96-1) would:

1. Approve the transfer of jurisdiction and control of parking lots located on the SFGH campus to the Parking Authority;
2. Approve the Memorandum of Understanding (MOU) between the City and the Parking Authority regarding the creation of the Parking System for SFGH Medical Center (see Comment 2);
3. Authorize the Parking Authority to seek bids from a professional parking operator for the management of the Parking System (see Comment 3); and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. Approve the form of the bid documents. Approval of the form of the bid documents constitutes approval of the proposed parking rates at the new garage.

### ***Debt Service for Parking Meter Revenue Bonds***

Of the total \$25 million Parking Meter Revenue Bonds sold in 1994, approximately \$23.5 million was used to build the garage at SFGH. The total annual debt service for the bonds related to the SFGH parking garage is \$2,033,305 per year. Anticipated revenues, as submitted by the Parking Authority, resulting from the new garage and the special hospital permit parking areas, which would offset the \$2,033,305 in annual debt service costs, are detailed in the following table.

### **Anticipated Annual Net Revenues to Offset Annual Parking Meter Revenue Bond Debt Service for the SFGH Parking Garage**

	<u>Yearly Vehicles</u>	<u>Annual Revenue</u>
Hourly Parking, at 80¢ per hour, up to a \$5.60 maximum, based on an average of approximately \$1.55 received from each vehicle, excluding a 25 percent Parking Tax	166,920	\$259,200
Monthly Parking Permits, at \$52 per month for the new garage, or \$68 per month in the special hospital parking permit areas, based on an approximate average of \$53 per vehicle, excluding a 25 percent Parking Tax	26,124	<u>1,388,000</u>
SUBTOTAL		\$1,647,200
Estimated Expenditures for a management agreement with a private firm, based on a flat monthly fee		<u>(714,000)</u>
REVENUES LESS ESTIMATED EXPENDITURES		\$933,200
Annual Debt Service Cost Associated with the Hospital Project		<u>\$2,033,305</u>
Remaining Annual Debt Service to Be Paid from Parking Revenue Fund (see below)		(\$1,100,105)

As the above table indicates, the annual revenue will not fully support the annual debt service costs. The 1994 Parking Meter Revenue Bond funds were guaranteed by the Parking Revenue Fund (formerly the Off-Street Parking Fund), Mr. Kevin Hagerty of the Parking Authority advises. Any difference between the parking revenues realized from the SFGH parking garage and special hospital permit parking

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



areas and the annual debt service cost would therefore be supported by the Parking Revenue Fund.

The Parking Revenue Fund consists of a portion of parking meter and garage revenues collected by the Parking Authority and the Department of Parking and Traffic. Prior to the 1994 bond issuance, the first \$6 to \$8 million in meter revenue was designated for the General Fund, and any additional revenues remained in the Parking Revenue Fund to support the DPT budget and neighborhood parking projects. Because the debt service for these 1994 Parking Meter Revenue Bonds is guaranteed by on-street parking meter revenues, in May of 1994, the Board of Supervisors approved legislation (File 124-94-6) providing that the amount of the debt service (i.e., \$2,157,582) in parking meter and garage revenues remain in the Parking Revenue Fund to support the bond costs, the next \$8 million is designated for the General Fund, and any additional funds remain in the Parking Revenue Fund to support the DPT budget and neighborhood parking projects. All yearly parking revenues collected from the new SFGH garage and special hospital parking permits would reduce the initial debt service obligation of \$2,157,582 to the Parking Revenue Fund, according to Mr. Hagerty.

According to Ms. Angela Carmen of SFGH, SFGH is currently applying for State SB 1732 funds, which support capital projects for disproportionate share public hospitals (that is, public hospitals serving a disproportionate number of MediCal recipients). SB 1732 funds must be used to support debt service for public hospital capital projects, according to Ms. Carmen. SFGH has received a letter from the State confirming the eligibility of this project to receive SB 1732 funding. The amount of funding will be determined through negotiations with the State. Ms. Carmen estimates that the amount of SB 1732 funds granted will be between \$400,000 and \$900,000 per year for the life of the debt service.

### ***Parking Rates***

Approval of this proposed resolution (File 199-96-1) would approve the form of the bid documents, which would have the effect of approving parking rates at the new garage, since the bid forms specify parking rates. The above table reflects the estimated parking rates excluding the 25 percent Parking Tax. The rates including the 25 percent Parking Tax are estimated to be \$1 per hour, up to a maximum of \$7 for 24 hours, for transient parking and \$65 per month in the new

garage, and \$85 per month for a special hospital parking permit.

The proposed rates, as contained in the bid documents, were determined in 1993 based on a survey of seven hospital systems at ten San Francisco locations,<sup>1</sup> according to Mr. Hagerty (see Attachment 1). The DPT also conducted a rate survey of hospitals located in San Francisco in 1995, which shows that rates have not changed significantly since these proposed SFGH parking rates were determined in 1993. Mr. Hagerty advises that there are no other parking lots in proximity with which to make neighborhood parking rate comparisons.

In summary, the monthly parking rates are comparable to the monthly parking rates of the hospitals surveyed in 1993. In contrast, the hourly and daily maximum parking rates, including hourly and daily maximum parking rates, are lower than the surveyed hospitals.<sup>2</sup> Mr. Hagerty advises that the lower rates reflect the availability of no-cost short-term parking in the surrounding neighborhoods, and consequent decreased demand for hourly parking.

**Comments:**

1. The attached map (Attachment 2) indicates the location of the special hospital parking permit areas and the location of the SFGH garage. As indicated, the permit areas would include:

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<sup>1</sup>Kaiser Permanent; Pacific Medical Center Pacific Campus; Pacific Medical Center California Campus; Ralph K. Davies; St. Francis; St. Luke's; St. Mary's; University of California at San Francisco (UCSF) Parnassus Campus; UCSF Mission Campus; UCSF Mount Zion Campus.

<sup>2</sup>Based on the DPT's survey, the Budget Analyst determined the following:

	Monthly Rates	Hourly Rates	Daily Maximum
<i>Ten Surveyed Hospitals</i>			
Range (lowest and highest)	\$35 to \$105	\$1 to \$3.50	\$7 to \$15
Mean (average)	\$83	\$1.77	\$11.58
Median	\$75	\$1.75	\$10.72
<i>SFGH Rates</i>			
Special permit parking areas	\$85	n/a	n/a
New SFGH hospital parking garage	\$65	\$1	\$7

Six surveyed hospitals offered discounts for evening and night parking. Two offered discounted or free parking to car pools. The proposed parking rates at SFGH do not include such discounts.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



- ✓ the north side of 22nd Street from Potrero Avenue to San Bruno Avenue;
- ✓ the south side of 22nd Street from Potrero Avenue to Vermont Street;
- ✓ the west side of San Bruno Avenue north of 22nd Street; and
- ✓ both sides of Vermont Street between San Bruno Avenue and 23rd Street.

These areas are all adjacent to San Francisco General Hospital.

2. The proposed resolution would approve an MOU between the City and the Parking Authority. This MOU defines the respective responsibilities of the Parking Authority, the Department of Parking and Traffic, and the Department of Public Health in regard to parking at SFGH. The terms of this MOU would have no additional fiscal impact to the General Fund.

3. The Parking Authority will award a management agreement to a private firm to manage and operate the new SFGH garage. This management agreement would be awarded based on a flat monthly fee, not on a percent of gross receipts. The proposed resolution (File 199-96-1) would authorize the Parking Authority to conduct a competitive bid procedure to award such a management agreement, and would approve the form of the bid documents. Mr. Hagerty currently estimates the amount of the management agreement will be \$714,000 annually, as indicated in the above table.

4. As noted above, the Parking Meter Revenue Bonds sold in 1994 totaled \$25 million, of which \$23.5 million supported the SFGH garage. The remaining \$1.5 million supported construction at the St. Mary's Square Garage, the Vallejo Street Garage, and a settlement with Gannett Advertising.

5. Mr. Hagerty reports that no additional costs will be incurred as a result of the new special hospital parking permit areas. Existing Parking Control Officers, as well as SFGH security staff, will patrol the new permit areas.

6. According to Mr. Hagerty, additional revenue would accrue to the General Fund as a result of the proposed legislation and legislation anticipated to be proposed in February, 1996 (see below). First, the new parking garage and special hospital parking permits are estimated to result in additional Parking Tax revenues of \$411,800 annually, or

25 percent of the total annual estimated \$1,647,200 in parking revenues.

Second, the Parking Authority will be presenting a proposed ordinance to the Board of Supervisors to make the blocks surrounding SFGH, which currently have unrestricted parking other than street cleaning, into residential parking areas. If this legislation were approved, it would result in residential parking permit fees in the amount of \$21 per year per permit.

Third, if the new residential and hospital permit requirements are approved by the Board of Supervisors, citations will be issued in the special hospital parking permit areas and the residential parking permit areas at \$33 per citation. As of the writing of this report, however, the Department of Parking and Traffic has not prepared revenue estimates from citations and residential parking permits, Mr. Hagerty advises.

7. Mr. Hagerty reports that the proposed ordinance (File 124-96-2) must be continued, since the DPT must comply with public notification requirements.

8. Currently, SFGH employees park free of charge on the SFGH campus, since street parking on campus is unrestricted. The proposed ordinance requiring permits to park on campus therefore represents a change in working conditions for SFGH employees, and, as such, required the DPT and DPH to meet and confer with the employee bargaining groups. This meet and confer process was completed on January 18, 1996, and determined that the proposed parking rates are not in violation with the terms of any existing Memoranda of Understanding, according to Mr. Ed Gazzano of the DPH. Previously, the employee bargaining units had expressed concern over the amount of the parking rates, since City employees at the SFGH campus currently park free of charge. According to Mr. Gazzano, if employee bargaining units continue to dispute the proposed rates, they must commence grievance procedures.

Mr. Hagerty advises that the specific parking rates could be removed from the bid documents. If the parking rates are removed from the bid documents, the Department of Parking and Traffic would return to the Board of Supervisors for separate authorization of the parking rates.

- Recommendations:**
1. Continue the proposed ordinance to the Call of the Chair, to allow the DPT to comply with public notification requirements, as requested by Mr. Hagerty (File 124-96-2).
  2. Except for approval of the proposed parking rates, which we consider to be a policy decision for the Board of Supervisors, we recommend approval of the proposed resolution (File 199-96-1).

PARKING RATE SURVEY - APRIL 1993

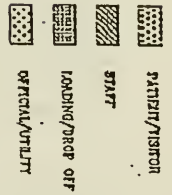
FACILITY	MONTHLY MAX.	DAILY MAX.	HOURLY	NOTES
1. Kaiser	\$75.00	\$9.50	\$0.50	Free Pools On-call discounts PMs & Nighis - free
2. PMC				Physicians do not pay at California
A. Pacific B. California	\$75.00 \$100.00 both campus	\$10.00 guest \$7.00/employee		
3. Ralph K. Davies	\$105.00	\$15.00	\$1.75	\$3.00/night for PM & Night
4. St. Francis	\$105.00	\$15.00	\$3.50	
5. St. Luke's	\$64.00 - MDs \$57.00 - Employees \$35.00 - Managers	\$10.00 visitors	\$1.50	Daily rate: Staff - \$1.50-\$2.75 Night - Free
6. St. Mary's	\$105.00	\$15.00	\$1.75	MDs Free, Discounts for pools PM \$45 or \$3.00/shift Night \$2.00/shift
7. UCSF				
A. Parnassus B. Mission G. & R. C. Mount Zion	\$56.00 \$45.00 \$98.00 (1) \$87.00 (2)	\$14.00 \$11.25 \$ 8.50 (1) \$12.00 (2)	\$1.75 \$1.25 \$2.25/\$1.25	\$6.00/month - PMs \$23.50 - PM/Night (1) \$37.50 - PM/Night (2)

Prepared by SFGH

Parking-04/07/93

diff. in pricing

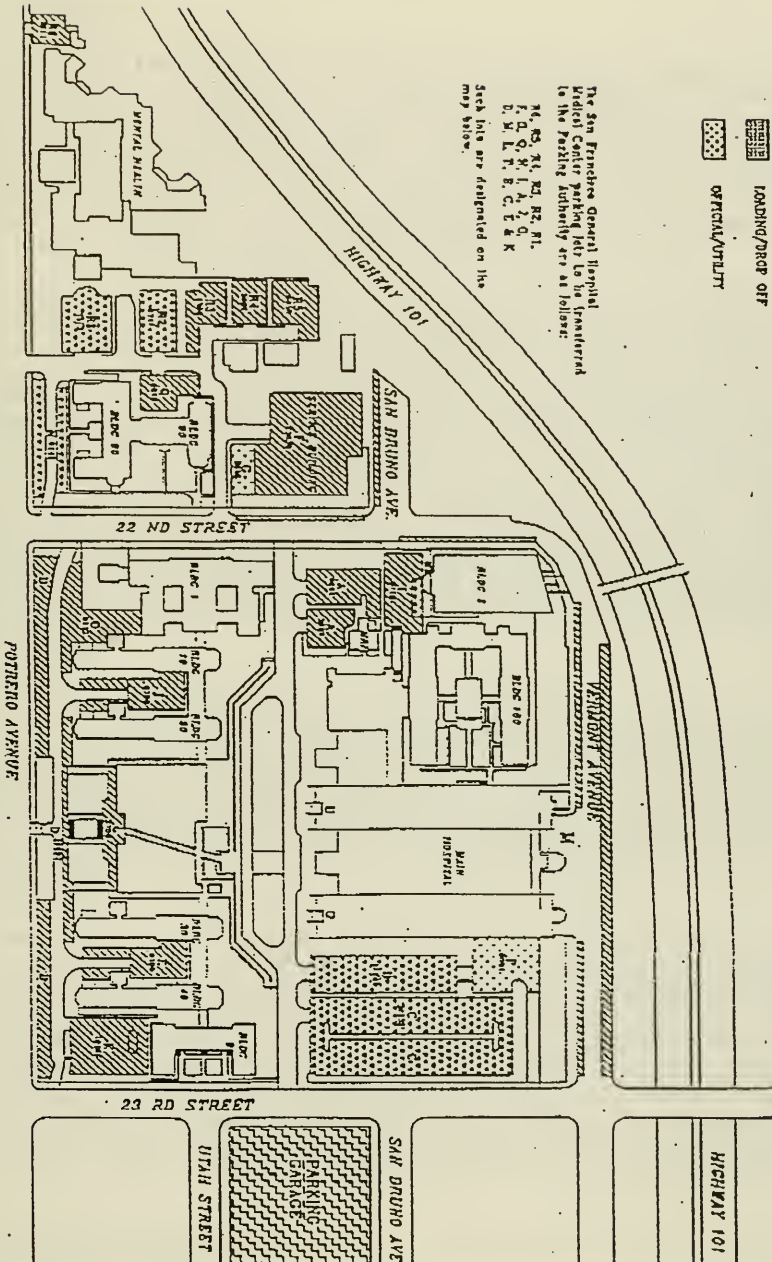
4/8/93. nlg.



The San Francisco General Hospital Medical Center parking lot to be transferred to the Parking Authority are as follows:

14, 60, 71, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

Such lots are designated on the map below.



PARKING SITE PLAN  
SAN FRANCISCO GENERAL HOSPITAL MEDICAL CENTER







Item 12 - File 78-96-1

1. The proposed resolution would establish the employer's contribution to be made to the Health Service System, a Division of the Department of Human Resources, by the City and County of San Francisco, the Unified School District and the Community College District for FY 1996-97. This would authorize the Health Service Board of the City and County Employees' Health Service System to set the City's and Districts' (employer) FY 1996-97 monthly contribution rate to the Health Service System Fund at \$167.33 for each eligible active employee. (The employees' contribution rates are determined after the City's contribution rate is set.)

2. The Health Service Board is required by Charter Sections 8.423 and 8.428 to survey the ten most populous counties in the State, excluding San Francisco, to determine the average amount these counties contribute toward each employee's medical care insurance (not including dental and optical care insurance). The ten surveyed counties include: (1) Los Angeles; (2) San Diego; (3) Orange; (4) Santa Clara; (5) San Bernardino; (6) Alameda; (7) Riverside; (8) Sacramento; (9) Contra Costa; and (10) Fresno. The survey indicates that the average per employee contribution of these ten counties for FY 1995-96 is \$167.33 per month (not including dental and optical care insurance). The City's current FY 1995-96 contribution is \$175.09 (\$2,101.08 annually). The proposed resolution would establish \$167.33 (\$2,007.96 annually) as the monthly per employee contribution to be made in FY 1996-97 by the City and County, the San Francisco Unified School District and the Community College District. The new rate would represent a decrease of \$7.76 per month or approximately 4.4 percent from the amount currently contributed.

3. The total estimated City and County contribution costs for active members during 1995-96 is \$46.7 million. According to Mr. Randall Smith, Executive Director of the Health Service System, based on the current membership in the Health Service System of approximately 22,218 active employees, the approximate total contributions for 1996-97 would be \$44.6 million, including an estimated \$28.7 million in General Fund monies. The contribution decrease authorized by this resolution would thus amount to a reduction of approximately \$2.1 million in annual expenditures.

4. Pursuant to Charter Section 8.428(c), retired employees<sup>1</sup> who wish to continue to participate in the Health Service System must make monthly contributions to the Health Service System that are equal to those of active members, except for retired employees who are also covered under Medicare. The total contributions required from retired employees who are also covered under Medicare is reduced by an amount equal to the amount contributed monthly by such persons to Medicare. In connection with this latter provision, the City, the Unified School District and the Community College District must contribute funds sufficient to defray the difference in cost to the Health Service System in providing the same health coverage to retired employees as active employees. According to Mr. Smith,

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<sup>1</sup> For the purposes of this report, "retired employees" include retired employees and surviving spouses of active or retired employees.

Memo to Government Efficiency and Labor Committee  
January 23, 1996 Government Efficiency and Labor Committee Meeting

the City's contribution for retired employees in 1995-96 is estimated at \$16.7 million, including an estimated \$11.2 million in General Fund monies. Mr. Smith reports that the 1994-95 actual retiree cost to the City was \$19.8 million, including \$13.3 million in General Fund monies. The estimated City contribution to the Health Service System for retired employees in FY 1996-97 will not be established until health plan contract rates and employee contribution rates are determined by the Health Service Board, anticipated to occur in February, 1996.

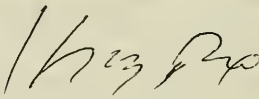
**Comments**

1. As previously noted, the City's contribution for health care coverage in 1996-97 is equal to the average contribution of the ten other most populous counties in California for 1995-96. As a result, given that the counties used for comparison may increase or decrease their contributions in 1996-97, the City contribution may in fact be greater or less than the average actual coverage provided by those ten counties. However, because the Health Service System is required by the Charter to collect the comparative data before January of each year, the System is not able to set its 1996-97 rates based on the actual 1996-97 rates of other jurisdictions.

2. The Health Service System indicates that the ten surveyed counties contributed an average of \$275.52 per month for an employee and one dependent and \$339.66 per month for an employee and two or more dependents. According to Mr. Smith, the City presently contributes up to \$170 per month for an employee and one dependent and up to \$250 per month for an employee and two or more dependents, based on the City's contracts with various unions.

**Recommendation**

Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Teng  
President Shelley  
Supervisor Kaufman  
Supervisor Migden  
Supervisor Alioto  
Supervisor Bierman  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Sam Yockey  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



890.31

#2

1/23/96

DOCUMENTS DEPT

JAN 29 1996

SAN FRANCISCO  
PUBLIC LIBRARY

CALENDAR.. Action Taken

REGULAR MEETING  
GOVERNMENT EFFICIENCY AND LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JANUARY 23, 1996 - 1:00 P.M.

Veterans Building  
401 Van Ness Ave., Room 410

PRESENT: Supervisors Tom Ammiano, Mabel Teng

CLERK: Gail Johnson

1. File 188-96-1. [Hold Harmless Agreement] Resolution authorizing hold harmless agreement with Alameda County pertaining to potential actions challenging the validity of land use entitlements requested for the San Francisco Water Department's Bernal Property. (Supervisor Kennedy)

ACTION: Hearing held. Recommended.

2. File 97-95-67. [Domestic Partnership Ceremonies] Ordinance amending Administrative Code by adding Section 62.9 authorizing the County Clerk to provide a civil ceremony to solemnize the existence of a domestic partnership. (Supervisors Migden, Kaufman, Leal, Ammiano, Bierman, Alioto)

ACTION: Hearing held. Amended on page 1, line 4, after "partnership," by adding "setting effective date." Recommended as amended. New title:  
"Amending Administrative Code by adding Section 62.9 authorizing the County Clerk to provide a civil ceremony to solemnize the existence of a domestic partnership; setting effective date." (Supervisor Teng added as co-sponsor.)

3. File 97-95-68. [IRS Pension Limits] Ordinance amending Administrative Code by adding Section 16.29-7.5 regarding Internal Revenue Section 401(a)(17) Limitations. (Retirement System)

ACTION: Hearing held. Recommended.

4. File 281-95-1. [Wireless Telecommunications Devices] Hearing to consider the health and aesthetic implications of the installation of wireless communications devices on public and private rights of way. (Supervisor Bierman, Shelley, Alioto)  
(Consideration continued from 12/19/95)

ACTION: Consideration continued to February 13, 1996, meeting.

5. File 222-95-1. [Amendment, Civil Service Rule 19] Ordinance adopting and implementing an amendment to Civil Service Rule 19 requiring open public meetings of the Transport Workers Union, San Francisco Municipal Railway Trust Fund. (Civil Service Commission)  
(Consideration continued from 12/19/95)

ACTION: Consideration continued to February 13, 1996, meeting.

6. File 148-92-7.8. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (State Hazard Mitigation Grants from FEMA) in the amount of \$34,424, for the purpose of installing an emergency generator at Fire Station No. 39 located at 1091 Portola Drive. (Also see File 101-92-33.6.) (Fire Department)

ACTION: Hearing held. Release of \$34,424 approved. Filed.

7. File 27-96-2. [Airport Lease Modification, American Airlines] Ordinance approving Modification No. 7 of Lease and Use Agreement between American Airlines, Inc. and City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Hearing held. Amended on line 4, after "approving," and on line 12, after "approves," by adding "retroactively." Recommended as amended. New title: "Approving, retroactively, Modification No. 7 of Lease and Use Agreement between American Airlines, Inc. and City and County of San Francisco, acting by and through its Airports Commission."

8. File 97-96-1. [Farmers' Market Hours of Operation] Ordinance amending Section 9A.12 of the San Francisco Administrative Code to allow the Farmers' Market to operate on Sundays. (Department of Agriculture and Weights and Measures)

ACTION: Hearing held. Recommended.

9. File 106-95-2.1. [Compensation, Unrepresented Employees, Amendment] Ordinance amending Ordinance No. 136-95 to correct a clerical error to the provisions setting the City contribution to Health Insurance for unrepresented employees for fiscal year 1995-96. (Department of Human Resources)

ACTION: Hearing held. Recommended.

10. File 199-96-1. [S.F. General Hospital Parking System] Resolution approving the transfer of jurisdiction and control over certain parking lots located within San Francisco General Hospital Medical Center to Parking Authority; approving the Memorandum of Understanding between the City and the Parking Authority regarding the creation and management of a parking system for the San Francisco General Hospital Medical Center; authorizing the Parking Authority to seek bids for the management of the parking system; approving the form of the bid documents; and appointing City officials to act as agents of the Parking Authority; companion measure to File 124-96-2. (Department of Parking and Traffic)

**ACTION:** Hearing held. Amendment of the Whole prepared in Committee. Recommended as amended. New title: "Approving the transfer of jurisdiction and control over certain parking lots located within San Francisco General Hospital Medical Center to Parking Authority; approving the Memorandum of Understanding between the City and the Parking Authority regarding the creation and management of a parking system for the San Francisco General Hospital Medical Center, with the exception of the parking rates, which will be determined in the future; authorizing the Parking Authority to seek bids for the management of the parking system; approving the form of the bid documents; and appointing City officials to act as agents of the Parking Authority; companion measure to File 124-96-2."

11. File 124-96-2. [Parking Control, Street Areas Within SFGH] Ordinance amending Traffic Code Section 32.2 to require a permit to park in additional areas adjacent to San Francisco General Hospital; companion measure to File 199-96-1. (Department of Parking and Traffic)

**ACTION:** Consideration continued to February 13, 1996, meeting.

12. File 78-96-1. [Health Service System Contributions] Resolution establishing the contribution to be made to the Health Service System by City and County, Unified School District and Community College District for fiscal year 1996-97. (Health Service System)

**ACTION:** Hearing held. Recommended.

### LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

13. File 45-96-4. [Settlement of Litigation, Afsari/Holtgrewe] Ordinance authorizing settlement of litigation of Julie Whitton-Afsari, Mandijeh Afsari, Kenneth Holtgrewe against the City and County of San Francisco by payment of \$497,500. (Superior Court No. 958-653 [consolidated].) (City Attorney)

**ACTION:** Recommended.

14. File 46-96-3. [CCSF v. Thornton Architects, et al.] Ordinance authorizing settlement of the litigation in City and County of San Francisco against Thornton Architects, Inc., et al., upon receipt of \$175,000. (Superior Court No. 964-427.) (City Attorney)

**ACTION:** Recommended.

15. File 48-96-2. [Settlement of Claim, Hans Raina] Resolution approving the settlement of the unlitigated claim of Hans Raina by payment of \$10,250. (City Attorney)

ACTION: Recommended.

16. File 48-96-3. [Settlement of Claim, Jason Skelly] Resolution approving the settlement of the unlitigated claim of Jason Skelly by payment of \$7,500. (City Attorney)

ACTION: Recommended.

17. File 48-96-4. [Settlement of Claim, Universal Underwriters Insurance Company] Resolution approving the settlement of the unlitigated claim of Universal Underwriters Insurance Company by payment of \$6,581.69. (City Attorney)

ACTION: Recommended.

18. File 48-96-5. [Settlement of Claim, Jia Jing Liu] Resolution approving the settlement of the unlitigated claim of Jia Jing Liu by payment of \$48,000. (City Attorney)

ACTION: Recommended.

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

DOCUMENTS DEPT.

February 9, 1996

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**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendations for meeting of*  
**SUBJECT:** February 13, 1996 Government Efficiency and Labor Committee Meeting

Items 1a and 1b - Files 214-94-7.2 and 214-96-1

**Department:** Juvenile Probation Department

**Items:** Item 1a, File 214-94-7.2 - Release of reserved funds in the amount of \$92,088 from the State of California, Department of Youth Authority to fund youth programs at Log Cabin and Hidden Valley Ranches.

Item 1b, File 214-96-1 - Resolution authorizing the Juvenile Probation Department to accept and expend a grant allocation in the amount of \$94,354 from the State of California, Department of Youth Authority to fund youth programs at Log Cabin Ranch.

<b>Amounts:</b>	Release of reserved funds	\$92,088
	Grant allocation	94,354
	Total	\$186,442

**Source of Funds:** State of California, Department of Youth Authority - AB 799 Funds

**Description:** File 214-94-7.2

The Board of Supervisors previously approved legislation authorizing the Juvenile Probation Department to accept



and expend a grant allocation in the amount of \$301,288 from the State of California, Department of Youth Authority for the Aftercare Program and the Camp Challenge Program at Log Cabin Ranch (File 214-94-7). At the same time, the Board of Supervisors placed the entire \$301,288 on reserve pending the selection of contractors, the MBE/WBE status of the contractors and the contract cost details. The Government Efficiency & Labor Committee has subsequently released \$209,200 of the \$301,288, leaving a balance of \$92,088 still on reserve.

The Juvenile Probation Department is now requesting that the remaining balance of \$92,088 be released from reserve to pay for youth support services at Log Cabin Ranch in connection with the Aftercare Program and the Camp Challenge Program.

#### **File 214--96-1**

The proposed resolution would authorize the Juvenile Probation Department to accept and expend \$94,354 from the State of California, Department of Youth Authority; and waive indirect costs.

#### **Grant Allocation Period - July 1, 1995 to June 30, 1996**

**Description** - The Juvenile Probation reports that the proposed \$94,354, will be used to pay for youth support services at Log Cabin Ranch in connection with the Aftercare Program and the Camp Challenge Program and for furnishings, video equipment and utilities at Log Cabin and Hidden Valley Ranches.

#### **Required Match** - None

**Indirect Costs** - None - The State grantor does not permit this grant allocation to be used for indirect costs. As such, the proposed legislation provides for indirect costs to be waived.

**Comment** - The Juvenile Probation Department reports that this request does not include authorization for the Department to apply for the grant allocation because the City is not required to submit a formal application (grant proposal) in order to receive these funds. According to Mr. Ace Tago of the Juvenile Probation Department, the State allocates these funds on a formula basis, which is based on the average daily population at Log Cabin and Hidden Valley Ranches.



Mr. Tago advises that the purpose of the Aftercare Program is to assist the juvenile detainees in their transition from Log Cabin Ranch to the community. According to Mr. Tago, a major thrust of this program is to provide remedial services in a supervised setting, particularly for times of the day when the youths are not in school or at work. Specific services to provided under this program include interpersonal skills development, academic and vocational assistance, substance abuse, medical and psychiatric treatment, and family support and counseling. Mr. Tago reports that the Camp Challenge Program is aimed at providing a structured framework wherein the youths learn and practice social and problem skills in a physically demanding setting.

**Budget:**

The requested release of reserved funds in the amount of \$92,088 plus the grant allocation amount of \$94,354, totaling \$186,442 would be expended, as follows:

**Aftercare Program**

**In-house Therapeutic Services (\$49,445)**

*Counseling Services*

Clinical Psychologist (\$29.71 per/hr. x 1,044 hrs.)	\$31,020
Fringe Benefits	7,755
Materials and Supplies	1,637

*Anger Management and Violence Reduction*

Materials and Supplies	860
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*Conflict Management*

Materials and Supplies	2,000
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*Survival Skills Training Program*

Materials and Supplies	1,425
------------------------	-------

*Parenting Support Group*

Materials and Supplies	500
------------------------	-----

*Family Reunification Group*

Materials and Supplies	500
------------------------	-----

*Teen Father Program*

Materials and Supplies	995
------------------------	-----

*Commitment of Offense Group*

Materials and Supplies	690
------------------------	-----

*Creative Writing*

Materials and Supplies	749
------------------------	-----

*Substance Abuse Program*

Materials and Supplies	500
------------------------	-----

*Youth Advisory Committee*

Materials and Supplies	814
------------------------	-----

Memo to Government Efficiency and Labor Committee  
February 13, 1996 Government Efficiency and Labor Committee Meeting

Contract - Therapeutic Services (\$23,058)

*Life Skills Training Program*

Staff \$4,272

Materials and Supplies 500

*Cultural Awareness*

Staff 4,272

Materials and Supplies 500

*Omega Boy's Program*

Staff 3,536

*Health Education Program*

Staff 2,236

Materials and Supplies 90

*GED Tutorial Program*

Staff 6,672

Materials and Supplies 980

In-house Vocational Services (\$4,500)

*Horticulture & Landscaping*

Materials and Supplies 4,500

Contract - Vocational Services (\$60,857)

*Carpentry Program*

Staff 31,148

Materials and Supplies 23,134

*Culinary Arts Program*

Materials and Supplies 6,575

In-house Other Services (\$1,360)

*CPR and First Aid*

Materials and Supplies 1,360

**Subtotal Aftercare Program \$139,220**

Camp Challenge Program

In-house Recreation/Team Building/Self-

Discipline Programs (\$10,650)

*Boy Scouts*

Materials and Supplies \$990

*Camping Program*

Materials and Supplies 3,255

*R. O. P. E. S. Program*

Materials and Supplies 645

*Skiing Program*

Materials and Supplies 1,250

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<i>Backpacking Program</i>	
Materials and Supplies	\$1,275
<i>River Rafting Program</i>	
Materials and Supplies	1,075
<i>Northern California Ranch League</i>	
Materials and Supplies	<u>2,160</u>
<b>Subtotal Camp Challenge</b>	<b>\$10,650</b>

**Administrative Support**

*Furnishings*

Log Cabin Ranch (20 dining/recreational tables @ \$500 each)	\$10,000
Hidden Valley Ranch (10 dining/recreational tables @ \$500 each)	5,000
<i>Video Teleconferencing System (Log Cabin Ranch)</i>	
Desktop camera, audio, speaker-phone, software etc. (2 sets @ 2,995 each)	5,990
Installation, Maintenance	899
Personal Computers w/monitors (2 @ \$1,200)	2,400
Technical Services	3,600
Department Overhead	1,111
<i>Utilities</i>	<u>7,572</u>

**Subtotal Administrative Support \$36,572**

**Total \$186,442**

**Comments:**

1. Attachment I is a listing of the consultants selected by the Juvenile Probation Department, through its Request for Proposal (RFP) process to provide the above-noted contract services for Therapeutic and Vocational Services under the Aftercare Program.

2. Attachment II provides a description of each of the contracted Therapeutic and Vocational Services to be provided, as well as the budget details for the staffing expenditures for each of these contracted services. The total cost of the Therapeutic Services is \$23,058 and the total cost of the Vocational Services is \$60,857 for a overall total cost of \$83,915 for these contracted services.

3. Mr. Tago advises that the total Aftercare Program budget is \$292,220 or \$153,000 more the \$139,220 designated in the above-noted budget. The source of funds for the \$153,000 is previously appropriated State Department of Youth Authority funds. The total Camp Challenge budget is \$10,650.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. As previously noted, the proposed grant allocation has a start-up date of July 1, 1995. However, Mr. Tago advises that no expenditures have been incurred against the proposed grant allocation to date. As such, it is not necessary to amend the proposed resolution (File 214-96-1) to authorize retroactive approval of this legislation.

According to Mr. Tago, since the Department will be unable to completely implement the grant programs within the designated grant period, due to complexities in the departmental programmatic approval process, the State will permit the Department to carry forward and expend any unexpended amount of the grant allocation in FY 1996-97. Mr. Tago states that the grant programs will commence following the Board of Supervisors approval of the proposed funds.

5. Attachment III is the grant summary, as prepared by the Juvenile Probation Department, for the proposed grant allocation (File 214-96-1).

6. The Juvenile Probation Department has prepared a Disability Access Checklist for the proposed grant programs, which is on file with the Clerk of the Board (File 214-96-1).

- Recommendations:**
1. Approve the requested release of reserved funds (File 214-94-7.2).
  2. Approve the proposed resolution (File 214-96-1).

Category	Name	Ethnicity	Gender	Status
Life Skills	Shakeel Ali-EI	African	M	Consultant
Cultural Awareness	Shakeel Ali-EI and Various Presenters	African American	F/M	Consultants
Omega's Boy's Club	Jack Jacqua	White	M	Consultant
Health Education	Rehema Saar	African	F	Consultant
GED Tutorial	Jewel Parker	African American	F	Consultant
Community Work Hours, Vocational Training, Job Preparedness				
a. Culinary Arts	Neal Tadlock	White	M	Consultant
b. Carpentry	Jim Claussen	White	M	Consultant

Therapeutic Sessions - Priority I

**8. Life Skills Training Program**

The purpose of Life Skills Training is to teach residents successful coping skills with adolescence issues and transition back to their communities. As a result of this course, residents will experience greater self-esteem and personal power in their lives. The course has five basic themes; Responsibility and coping with peer pressure, learning styles and time management, communication skills, management of stress and emotions and sexual decision making.

This course is held once a week for 48 weeks, all residents are required to complete this course before graduating.

	<b>Amount Budgeted</b>
<b>Instructor/s:</b>	
Annual cost for instructor @ \$50.00/hr, for one session per week for 48 weeks \$2,400.00;	
Mileage @ \$.39/mile X 100 miles round-trip for proposed instructor X 48 weeks = \$1,872.00.	\$4,272.00
<b>Materials and Supplies</b>	
Description:	
Basic classroom supplies such as paper and writing tools \$500.00	\$500.00
<b>Total Program Budget:</b>	<b>\$4,772.00</b>



Therapeutic Sessions - Priority I

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**10. Cultural Awareness**

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Residents committed to LCRS are from various ethnic groups and diverse geographic areas. This course provides residents with an overview of different cultures and the issues related to these differences.

This course is held once a week for 48 weeks. All residents are required to complete the course before graduating.

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	<b>Amount Budgeted</b>
<hr/> <b>Instructor/s:</b>	
Annual cost for instructor @ \$50.00/hr for 48 weeks = \$2,400.00;	
Mileage @ \$.39/mile X 100 miles round-trip X 48 weeks= \$1,872.00.	\$4,272.00
<hr/> <b>Materials and Supplies</b>	
Description:	
Basic classroom supplies such as paper and writing tools, \$500.00	\$500.00
<b>Total Program Budget:</b>	<b>\$4,772.00</b>

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Therapeutic Sessions - Priority I

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**13. Health Education Program**

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Health Education is designed to teach residents the important consequences of Sexual Transmitted Diseases, prevention, treatment and life style. Residents will also learn about proper daily hygiene, grooming and nutrition for a healthy life style.

This course is held bi-weekly and all residents must complete it before graduating.

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**Amount  
Budgeted**

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**Instructor/s:**

Annual cost:

Instructor @ \$25.00/hr, for 2 hours X 26 sessions \$1,300.00;

Mileage @ \$.39/mile X 100 miles round-trip X 24 weeks = \$936.00, .00      \$2,236.00

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**Materials and Supplies**

Description:

One time start up cost for program materials;

STD Instructional videos @ \$90.00      \$90.00

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**Total Program Budget:**      **\$2,326.00**

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Therapeutic Sessions - Priority I

**11. Omega Boy's Program**

This is a mandatory group for all residents. The Program's purpose is to provide mediation for residents who are in conflict with each other. Residents will learn the concept of empowering each person to take control of their lives and recognize their own abilities. Group discussions are conducted by peer counselors who have developed the tools and skills needed to deal with negative peer pressure. These sessions also deal with positive peer pressure and positive steps toward building self-esteem.

Group session will be held bi-weekly or 26 sessions for two hours. All residents are required to attend these sessions before graduating.

	Amount Budgeted
<b>Instructor/s:</b>	
Annual cost: Instructor @ \$50.00/hr X 2 hours X for 26 weeks \$2,600.00;	
Mileage @ \$.39 per mile X 100 miles round-trip X 24 weeks = \$936.00	\$3,536.00
<b>Materials and Supplies</b>	
Description: no supplies required	\$0.00
<b>Total Program Budget:</b>	<b>\$3,536.00</b>

Therapeutic Sessions - Priority I

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**15. GED Tutorial Program**

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Residents, 16 years of age and above, are offered the opportunity to prepare for the GED Examination. The course is provided to augment material taught in the SFUD GED Preparation course. Tutoring is offered twice weekly.

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**Amount  
Budgeted**

Instructor/s: will be contracted for a one year period.

Annual cost:

Instructor, @ \$50.00/hr X 2 sessions per week for 48 weeks =\$4,800.00;

Mileage @ \$.195/mile X 100 miles round-trip X 96 sessions

= \$1,872.00

**\$6,672.00**

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**Materials and Supplies**

Description:

One time start up cost for program materials;

12 copies of GED preparation software at \$40.00 ea., total \$480.00,

Basic classroom supplies such as paper and writing tools, \$500.00.

**\$980.00**

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**Total Program Budget:**

**\$7,652.00**

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Vocational Training offered at Log Cabin Ranch School  
Priority II

**1. Culinary Arts Program**

The Culinary Arts Program is available to residents interested in developing their culinary arts skills. The course addresses: food service management, food cost analysis and determining the nutritive value of foods prepared. Interested residents will focus on the study of foods and nutrition through planning, preparing, and serving: vegetables meats, breads, pastries and special occasion foods. Participants must be at least, 15 years of age and above, to take this course. The course is held four times weekly. All participants must complete this course before graduating.

**Amount  
Budgeted**

**Instructor/s:**

Instructor services are contracted.

Funds for instructor come from a private foundation grant.

\$0.00

No direct labor cost to Program.

**Materials and Supplies**

Description: Workbooks, \$1125.00;

Cooking attire (Aprons, cook caps, gloves, and various cooking necessities, \$450.00,

Cooking supplies, (food, utensils, storage containers, etc.), \$5000.00.

\$6,575.00

**Total Program Budget:**

**\$6,575.00**

Vocational Training offered at Log Cabin Ranch School - Priority II

## 2. Carpentry Program

This program is available to residents interested in developing basic carpentry skills for pre-apprenticeship. Residents will be taught basic fundamental carpentry, i.e., how to use a hammer, saw, measuring tape and framing square. Residents will have training on house framing and how to make structural modifications. Participants must be at least, 15 years of age and above, to take this course. The course is held four times weekly. All participants must complete this course before graduating.

**Amount  
Budgeted**

**Instructor/s:** will be contracted for a six month period or 26 weeks four (4) times per week for 8 hours.

Half Annual cost for instructor:  $\$35.00 \times 8 \text{ hours/day} \times 4 \text{ sessions per week} \times 26 \text{ weeks} = \$29,120.00$   
 mileage  $\$.195 \text{ per mile} \times 100 \text{ miles round-trip} \times 4 \text{ round-trip/week} \times 26 \text{ weeks} = \$2,028.00$

**\$31,148.00**

### **Materials and Supplies**

Description:

Lumber, \$15,000.00;

Tools, \$5,000.000,

Various carpentry supplies, (nails, cement, roofing, plumbing etc.)

\$3,134.00

**\$23,134.00**

**Total Program Budget:**

**\$54,282.00**



## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying  
resolution:

Department: Juvenile Probation Department

Contact Person: Ace A. Tago Telephone: 752-7560

Project Title: AFTERCARE PROGRAM & CAMP CHALLENGE FOR LOG CABIN RANCH

Grant Source: AB 790 - State of California

Proposed (New / ~~Continuation~~) Grant Project Summary:

- I. Aftercare Program: The proposed program is to help youth with transition from Log Cabin Ranch to the community. The essential theme in day treatment centers is to provide remedial services in a supervised setting, particularly for times of the day when youths are not in school or at work. The proposed program will combine a three track afterschool program (with tracks for interpersonal skills development, academic and for vocational assistance, and family counseling) and provision for high visibility supervision of youth in the program.
- II. Camp Challenge Program: The proposed program will provide a structured approach wherein the youths will learn and practice social and problem solving skills in a physically demanding setting.

Amount of Grant Funding Applied for: \$94,354

Maximum Funding Amount Available: Based on Average Daily Population in camps.

Required Matching Funds: 0

Number of Positions Created and Funded: -0-

Amount to be Spent on Contractual Services: \$94,354

Will Contractual Services be put out to Bid? Yes

**FAX TRANSMITTAL**

Grant Application Information Form  
Page 2

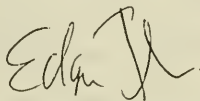
Term of Grant: July 1, 1995 - June 30, 1996

Date Department Notified of Available funds: October 25, 1993

Application Due Date: N/A

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

- (1) AB 799 added Article 7.5 (commencing with Section 1820 - 1820.55) to Chapter 1 of Division 2.5 of the Welfare and Institutions Code relating to juvenile offenders. The new Act is called the "Juvenile Offender Local Prevention and Corrections Act."
- (2) The administering agency is the State of California Department of Youth Authority (CYA) "to work with counties to develop boot camp programs for the provision of services in a highly structured military style environment."
- (3) The law took effect immediately because it was considered an urgency statute.
- (4) Funds are distributed on the basis of average daily population in the camps with a guarantee from the counties that the maximum bed capacity in existence in the camps as of June 30, 1963 shall remain at that level or higher.
- (5) Funds shall be used only for the purpose of confinement, discipline, and treatment of juvenile offenders in juvenile county ranches, camps, or forestry camps.
- (6) The county's juvenile ranches possess, at a minimum, (a) a residential treatment program, (b) a structured and disciplined program for each resident, (c) individual counseling, (d) physical fitness training, (e) social alternatives to gangs, drugs, and alcohol, including gang interention where appropriate, (f) work experience and vocational training through work crew assignments, (g) access to remedial education, and (h) coordination with parents or guardians in preparation for family reunification.



Edgar Flowers, Jr., Chief Probation Officer  
Department Head Approval

Item 1c - File 38-96-3

**Department:** Police Department

**Item:** Resolution authorizing the acceptance by the San Francisco Police Department (SFPD) of a redistribution gift of four generators from the Department of the Army.

**Description:** The proposed resolution would authorize acceptance, on behalf of the City, of a redistribution gift of four generators from the United States Department of the Army. Lieutenant Fagan of the Police Department advises that the Department of the Army is redistributing equipment, which will no longer be utilized by the Department of the Army as a result of military base closures, to public jurisdictions. Lieutenant Fagan reports that the estimated total value of the four generators is \$52,000, or \$13,000 per generator.

Currently, the Department of Public Works (DPW) is contracted by the Police Department to maintain and repair all of the Police Department's generators. Mr. Ray Zahnd, DPW Superintendent of Building Repair, estimates that the annual cost for maintenance and repairs of the four generators mentioned above will be \$5,000.

Lieutenant Fagan advises that these four generators will be used only in emergency situations instead of on a regular basis, and the generators will be used as a second back-up power source at Police Stations or various buildings utilized by the Police Department during emergency situations. These four generators are equipped with trailers, which will enable them to be transported when needed.

**Comment:** Lieutenant Fagan advises that the Police Department would be able to absorb the above-mentioned maintenance costs from its annual budgeted funds.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1d - File 68-96-1

**Departments:** Controller's Office  
Mayor's Office of Emergency Services (OES)

**Item:** Resolution authorizing the Mayor and other designated City and County officials to execute and file, on behalf of the City and County of San Francisco, an application for Federal and/or State financial assistance under the Robert T. Stafford Federal Disaster Relief and Emergency Assistance Act and the State Natural Disaster Assistance Act for funds as a result of the December 1995 storms.

**Description:** The storm that occurred on December 11 and 12th, 1995 in San Francisco resulted in significant damage to City property, parks, and facilities. Initial estimates submitted to the Mayor's Office of Emergency Services (OES) for the cost of damage repairs to City properties and emergency efforts totalled nearly \$32 million, a majority of which was for damages to Recreation and Park Department and Department of Public Works facilities and properties (see Comment #4).

On January 2, 1996 the Governor issued a Proclamation of State of Emergency for the City and County of San Francisco. Under the Governor's Emergency Proclamation, the City and County of San Francisco is eligible for approximately 75 percent of eligible costs incurred as a result of the disaster. Eligible costs include overtime costs and costs of supplies used during disaster response efforts, and costs to repair, restore, reconstruct or replace public real property or public facilities damaged as a result of the disaster. The Governor's Proclamation covers damage incurred between December 11th through 13th, 1995.

The State Natural Disaster Assistance Act (NDAA) Program administers State disaster assistance funds that are available as a result of the Governor's Proclamation of Emergency. The Governor's Office of Emergency Services (OES) has provided the City and County of San Francisco with the necessary information and forms to apply for reimbursement of disaster related costs. This proposed resolution authorizes the Mayor and other designated City and County officials to execute and file such applications for relief funds with the State NDAA Program.

**Comments:** 1. According to Mr. Frank Schober of the Mayor's Office of Emergency Services, as part of the application for disaster

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



relief funds through the State NDAA, the City and County of San Francisco must complete a Designation of Applicant's Agent Resolution form for the State OES and NDAA. This form designates the persons authorized to represent the City and County of San Francisco in all disaster relief claim activities. The proposed resolution would authorize such designation and allow the City and County to file the forms required by the State NDAA, according to Mr. Schober.

2. Mr. Schober reports that the application process for State NDAA relief funds has been initiated through the filing of all "Exhibit B" forms to the State OES, which the Mayor's OES submitted on Friday, February 9, 1996. The "Exhibit B" forms include a list of repair projects from each department, the location and the scope of work. No cost figures are submitted as part of that filing. Mr. Schober reports that the filing of the Project Application form and the Designation of Applicant's Agent Resolution form which would be authorized by the proposed resolution can be filed with the State OES upon approval of this proposed resolution.

3. According to Mr. Schober, after the claimant (San Francisco) has filed the "Exhibit B" forms, the State OES will conduct site visits with each subclaimant (which in this case is each City department seeking reimbursement for storm damage repairs). Each subclaimant must supply full documentation of all costs incurred, and this information is reviewed by the State Area Coordinators during their site visits to San Francisco. This information is used to prepare Damage Survey Reports (DSR) for each project. At that time, the precise dollar amount of the claim is determined. The State NDAA then reviews the DSRs, and determines the amount of reported project costs that are eligible for reimbursement. When this process is complete, the State Controller's Office issues payment to the City for the total approved amount.

4. As previously noted, the initial cost estimate provided by OES for storm-related damage was \$32 million. The Budget Analyst reviewed the initial estimates submitted by each department to OES, and received revised estimates and cost details from several departments, and developed an initial cost estimate based on these figures totaling \$27,991,636 (File 100-95-15). As noted in Comments #2 and #3, at this time more precise cost estimates have not been submitted by the Mayor's OES or by individual departments, and the amount of claims will be determined as the disaster relief application process continues.

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5. The proposed resolution also authorizes the Mayor and other designated City and County officials to execute and file an application for Federal financial assistance under the Robert T. Stafford Federal Disaster Relief and Emergency Assistance Act. It should be noted, however, that the Governor did not request a Presidential Declaration of Emergency, because the damage incurred across the State was not sufficient for the Governor to request a Presidential Declaration, according to Mr. Schober. Therefore, the City and County of San Francisco is not eligible for Federal disaster assistance funds for the December, 1995 storms, according to Mr. Schober.

**Recommendation:** Approve the proposed resolution.

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**BUDGET ANALYST**



Item 1e - File 146-96-2

**Department:** Department of Public Health

**Item:** Resolution authorizing the Department of Public Health's Division of Mental Health and Substance Abuse Services to apply retroactively for a grant of \$1,515,193, from the Miriam and Peter Haas Fund, to create an integrated model of targeted consultation by establishing an intensive consultant training program that will prepare mental health practitioners to provide consultation, staff training, prevention and early intervention services and support for constituents of licensed, center-based early childhood programs serving San Francisco low-income families, waiving indirect costs.

**Grant Amount:** \$1,515,193

**Grant Period:** March 1996 through February 1999 (three years)

**Source of Funds:** The Miriam and Peter Haas Fund

**Project:** Early Childhood Mental Health Services Program

**Description:** The Early Childhood Mental Health Services Program is a collaboration of the Jewish Family and Children's Services, the Infant Parent Program of the University of California, San Francisco, and the Child, Youth, and Family Services of the Department of Public Health's (DPH) Division of Mental Health and Substance Abuse Services (DMS). The proposed resolution would authorize DMS to apply retroactively for a grant amount of \$1,515,193 to provide mental health consultation, staff training, prevention and early prevention services to low-income families in San Francisco in collaboration with the Jewish Family and Children's Services and the Infant Parent Program of the University of California, San Francisco.

The purpose of the Early Childhood Mental Health Services Program is to (1) provide training to mental health professionals to prepare them to consult with child care programs; (2) instruct child care providers at early childhood programs in San Francisco about the promotion of mental health by prevention and early intervention; (3) enable child care providers to more effectively identify seriously at-risk children and provide appropriate intervention methods; and (4) provide low-income children and their parents with comprehensive intervention from staff.

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The grant funds would be used to meet the three objectives of the program: (1) to promote the well-being and strengthen the functionality of early childhood program staff; (2) improve the quality of child care by integrating parent involvement and a child-centered development approach to positively affect children's emotional lives and social abilities; and (3) to provide integrated, community-based early childhood mental health services for children and their families.

**Budget:** The DPH reports that a detailed budget will be submitted to the Board of Supervisors when the DPH submits legislation to accept and expend the grant.

**Required Match:** None

**Indirect Costs:** None. The Grantor does not allow for the provision of indirect costs.

**Comments:** 1. The DPH reports that the application for the proposed grant funds was submitted in November of 1995. As such, the proposed resolution authorizes the Department to apply retroactively for the proposed grant funds.

2. Attached is a Summary of Grant Request, as prepared by the DPH, for the proposed grant funds.

3. The DPH has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board.

**Recommendation:** Approve the proposed resolution.

Grantor: Miriam & Peter Haas Fund  
 Contact Person: Barbara Coccodrilli Carlson  
 Address: 201 Filbert St., 5th Floor  
San Francisco, CA 94133  
 Amount Requested: \$1,515,193  
 Term: From March 1996 To Feb. 1999

Division: JPH/Division of Mental Health  
 Section: Children, Youth & Families  
 Contact Person: Philip Tse  
 Telephone: 255-3637  
 Application Deadline: November 20, 1995  
 Notification Expected: January 1996

**I. Item Description:** Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (Circle or (augmentation to a) grant in the amount of \$1,515,193 from the period of (Underline) March 1996 to February 1999 to provide mental health consultation, staff training, prevention and early intervention services.

## **II. Summary: (Purpose; Funding Year; Target Groups; Services; Providers)**

The purpose of this three-year grant is to provide consultation, staff training, prevention, and early intervention services and support for constituents of licensed, center-based early childhood programs serving San Francisco's low-income families.

## **III. Outcomes/Objectives:**

1. To promote the well-being and functioning of early childhood program and staff
2. To improve the quality of child care
3. To provide an integrated, community based multi-level early childhood mental health services.

## **IV. Effects of Reduction or Termination of These Funds:**

Inability to provide an integrated model of early mental health consultation services to low-income families.

## **V. Financial Information:**

	<u>Col. A</u> <u>Two Years Ago</u>	<u>Col. B</u> <u>Past Yr./Orig.</u>	<u>Col. C</u> <u>Proposed</u>	<u>Col. D</u> <u>Change</u>	<u>Req. Match</u>	<u>Approved By</u>
<b>Grant Amount</b>						
<b>Personnel</b>			1,499,092			
<b>Equipment</b>						
<b>*Contract Svc.</b>						
<b>Mat. &amp; Supp.</b>						
<b>Facilities/Space</b>						
<b>Other</b>			16,101			
<b>Indirect Costs</b>						

## **VI. Data Processing**

(costs included above)

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## **VII. Personnel**

<b>F/T Civil Service</b>			12.00			
<b>P/T Civil Service</b>						
<b>Contractual</b>						

**Source(s) of non-grant funding for salaries of Civil Service employees working part-time on this grant:**

N/A

**Will grant funded employees be retained after this grant terminates? If so, How?**

NO

**\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)**





Item 1f - File 146-96-3

**Department:** Department of Public Health (DPH)  
Community Mental Health Services

**Item:** Resolution authorizing the Department of Public Health, Mental Health Services, to accept and expend a grant in the amount of \$128,065, from the State Department of Rehabilitation and to enter into a Cooperative Program Agreement and a Case Service Contract with the State Department of Rehabilitation, San Francisco District Office, to provide vocational services to mentally ill psychiatric clients, waiving indirect costs.

**Grant Amount:** \$128,065

**Grant Period:** July 1, 1996 through June 30, 1997

**Source of Funds:** State Department of Rehabilitation

**Project:** Vocational services, including evaluation, placement and follow-up services for 100 seriously mentally ill clients annually.

**Description:** The proposed resolution would authorize the Department of Public Health, Community Mental Health Services, to accept and expend funds from the State Department of Rehabilitation to enter into a Cooperative Program Agreement and a Case Service Contract with Community Vocational Enterprises, a non-profit organization, to provide vocational services to mentally ill psychiatric clients who are San Francisco residents. Community Vocational Enterprises, with oversight by the DPH Community Mental Health Services Division, would provide evaluation, placement and follow-up services for up to 110 seriously mentally ill clients annually. Clients would be placed in jobs ten hours per week or more. These services would be provided by Community Vocational Enterprises because the DPH does not have the capacity to provide such services in-house.

This proposed grant represents the third year of a three-year grant. The Board of Supervisors previously approved the first and second years of this grant (Files 146-94-18 and 146-95-2). The State Department of Rehabilitation requires an annual approval from the Board of Supervisors specifying approval of the proposed grant.

**Budget:** The budget for this proposed grant for FY 1996-97 consists entirely of contractual services costs. The contractor would be

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Community Vocational Enterprises, a non-profit organization. (See Comment 1.)

Contractual Services - Community Vocational Enterprises

<i>Personnel</i>	<u>FTE</u>	<u>Cost</u>
State Dept. of Rehabilitation Liaison	.90	\$34,819
Project Coordinator	1.04	42,711
Administrative Assistant	.20	5,545
Program Director	<u>.20</u>	<u>12,896</u>
Total Contractor Personnel	2.34	\$95,971
<i>Contractor Indirect Costs</i> (at 20 percent of Personnel)		19,210
<i>Rent and Utilities</i>		<u>12,884</u>
TOTAL		\$128,065

**Required Match:** None

**Indirect Costs:** None. The State Department of Rehabilitation does not allow the expenditure of these funds for indirect costs.

**Comments:** 1. Community Vocation Enterprises, a non-profit organization, was selected during the first year of this proposed grant on a sole source basis, because it is the only agency providing services for seriously mentally ill clients Citywide, according to Mr. Jack Rabin of the DPH.

2. A Disability Access Checklist for this project is on file with the Clerk of the Board.

3. A copy of the Summary of Grant Request form, prepared by DPH for the proposed grant, is attached to this report.

**Recommendation:** Approve the proposed resolution.

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Grantor Department of Rehabilitation - SF  
Contact Person District Office; Darlene  
Address 185 Berry St., Ste. 180/Rykowsky  
San Francisco, CA 94107

Division Community Mental Health Services  
Section Child, Youth and Family Section  
Contact Person Jack Rabin, Asst. Director  
Telephone 255-3412  
Application Deadline 3/1/96  
Notification Expected \_\_\_\_\_  
\_\_\_\_\_  
Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
Full Board \_\_\_\_\_

I. Item Description: Request to ~~apply for~~ (accept and expand) a ~~new~~ (continuation) (~~allocation~~) (~~augmentation to a~~)  
(Circle appropriate words) grant in the amount of \$ 128,065 from the period of 7/1/96 to 6/30/97  
to provide vocational services for psychiatric clients services.

II. Summary: (Concise summary; need additional space - groups services and providers)  
Vocational services, including evaluation, placement and follow-up services will be  
provided to up to 110 seriously mentally ill clients annually. Clients will be  
placed in jobs 10 hours/week or more, depending upon interests, skills and experience.

III. Outcomes/Objectives:  
Provide evaluation, placement and follow-up services for up to 110 seriously mentally  
ill clients.

IV. Effects of Reduction or Termination of These Funds:  
Reduction or termination of these funds will prevent up to 110 clients from receiving  
vocational services.

V. Financial Information:

	Col. A Two Years Ago	Col. B Part Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount	\$128,065	\$128,065	\$128,065			
Personnel						
Equipment						
Contract Svc.	\$128,065	\$128,065	\$128,065			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

VI. Data Processing

(see included sheet)

VII. Personnel

F/T CSC					
P/T CSC					
Contractual	3.0	3.0	3.0		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source X (If sole source, attach Request for Quotation Form)



Item 1g - File 146-96-4

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing the Department of Public Health, Community Public Services, to accept and expend retroactively a grant of \$52,122, from the California Department of Health Services, for immunization services to be provided by the Mission Neighborhood Health Center to immunize high-risk infants and toddlers, waiving indirect costs and providing for ratification of action previously taken.

**Grant Amount:** \$52,122

**Grant Period:** January 1, 1996 through June 30, 1996

**Source of Funds:** California Department of Health Services

**Project:** Immunization Services

**Description:** The proposed resolution would authorize the DPH Community Public Health Services (CPHS) to accept and expend retroactively a grant of \$52,122, from the California Department of Health Services, to provide outreach, education, and immunization services to the residents of San Francisco. These services will be provided by the Mission Neighborhood Health Center (MNHC), which is a non-profit community health services provider located in the Mission District.

The proposed grant funds will be used to extend the MNHC clinic hours up to three hours a day to provide immunization services, which consist of administering vaccinations to clients, for families unable to access services during regular clinic hours. Additionally, outreach and education campaigns for "hard-to-reach" populations will be conducted off-site. In relation to the proposed resolution, "hard-to-reach" populations refers to residents of San Francisco who don't historically access existing health services due to language, cultural, economic, and social barriers.

The proposed grant funds will also be used for the referral and data collection systems. Families will be referred to the MNHC and other appropriate health care services providers, and data on children vaccinated and follow-up information will be collected. The initial target group for the immunizations services project is "high-risk" infants and toddlers. "High-risk" infants and toddlers refer to children up to 4 years of age who have not received any

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immunizations or have not received them at the recommended time and aren't likely to do so because they're part of the "hard-to-reach" population mentioned above.

**Budget:**

The overall MNHC contract budget is as follows:

Personnel

Licensed Vocational Nurse (1440 hrs. @ \$16/hr.)	\$23,040
Outreach Liaison (480 hrs. @ \$14/hr.)	6,720
Clerical Support (576 hrs. @ \$10/hr.)	<u>5,760</u>
Subtotal:	\$35,520
Fringe Benefits	<u>9,235</u>
Total Personnel	\$44,755

Expenses

Incentive vouchers (\$4 vouchers x 1300 children)	\$5,200
Medical and Office Supplies	1,867
Travel (Outreach activity)	<u>300</u>
Total Expenses	\$7,367

**TOTAL GRANT BUDGET**

**\$52,122**

**Required Match:**

None

**Indirect Costs:**

None. Grantor does not allow for the provision of indirect costs.

**Comments:**

1. According to Norma Martinez of the DPH, MNHC will be using existing staff and hiring staff to implement the immunization program, and staff will be retained if grant funds are renewed or other funding sources are available.
2. Incentive vouchers are given to parents or guardians as an incentive for them to bring their child to MNHC to complete their child's timely vaccination series. The \$4 vouchers will be redeemable at local merchants for food, clothing, or toys.
3. Travel expenses include gasoline for the immunization van, which is already owned by MNHC, and the related maintenance costs, insurance, and storage of the vehicle.
4. Attached is a Summary of Grant Request, as prepared by the DPH, for the proposed grant funds.
5. The DPH has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board.

**Recommendation:** Approve the proposed resolution.

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Item No. \_\_\_\_\_

## Health Commission - Summary of Grant Request

Rev. 6/3/94

Grantor: CA Dept. of Health Services  
 Contact Person: Natalie J. Smith, MD, MPH  
 Address: 2151 Berkeley Way, Berkeley, CA  
94704-1011

Division: Community Public Health Services  
 Section: Bureau of Epi., Dis. Control & AIDS  
 Contact Person: Norma Martinez  
 Telephone: (415)554-8490  
 Application Deadline: July 31, 1995  
 Notification Expected: September 30, 1995

Amount Requested: \$ \$52,122  
 Term: From 1/1/96 To 6/30/96

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (Circle or) (augmentation to a) grant in the amount of \$52,122 from the period of 1/1/96 to 6/30/96 to provide on-site vaccinations, tracking, referral and follow-up services.

## II. Summary: (Purpose; Funding Year; Target Groups; Services; Providers)

The Mission Neighborhood Health Center will extend clinic hours up to three hours a day to provide immunization services for families unable to access services during regular clinic hours. Additionally, outreach and education campaigns for "hard-to-reach" populations will be conducted. Families will be referred to Mission Neighborhood Health Center and other appropriate health care services providers. Data on children vaccinated and follow-up with referrals will be collected.

## III. Outcomes/Objectives:

Objectives: eight educational presentations per month to "hard-to-reach" populations; administer and record, on average, three complete vaccinations per hour of clinic service; maintain a clinic-based immunization tracking system to enable mailing of reminders for follow-up vaccinations; develop an incentives program for on-time vaccinations.

## IV. Effects of Reduction or Termination of These Funds:

This is a new project.

## V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved By
	Two Years Ago	Past Yr./Orig.	Proposed	Change		
Grant Amount			52,122			
Personnel						
Equipment						
*Contract Svc.			52,122			
Mat. & Supp.						
Facilities/Space						
Other						
<del>Indirect Costs</del>						

## VI. Data Processing

(costs included above)

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## VII. Personnel

F/T Civil Service					
P/T Civil Service					
Contractual			1.55		

Source(s) of non-grant funding for salaries of Civil Service employees working part-time on this grant:  
Not applicable.

Will grant funded employees be retained after this grant terminates? If so, How?

Employees will be retained if other sources of funding are available.

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source X (if sole source, attach Request for Exemption Form)  
 A prior sole source contract with MNHC has already been approved for immunization services as part of the Collaborative Immunization Project.



Item 1h - File 192-96-1

**Department:** Department of Parking and Traffic

**Item:** Resolution authorizing the Director of the Department of Parking and Traffic to apply for, accept, and expend up to \$51,825 in State funds for the modification of an existing consultant contract to evaluate the feasibility of alternatives to the retrofit of the Central Freeway, waiving reimbursement of indirect costs; providing for ratification of action previously taken.

**Grant Amount:** \$51,825

**Grant Period:** February 1, 1995 through March 31, 1996

**Source of Funds:** State Department of Transportation (Caltrans) Program Supplement funds

**Project:** Central Freeway Areawide Traffic Study

**Description:** The Board of Supervisors previously approved the expenditure of \$400,000 in Federal Emergency Relief (ER) funds for the purposes of funding an Areawide Traffic Study analyzing several possible alternatives to retrofit of San Francisco's Central Freeway, which was badly damaged in the 1989 Loma Prieta earthquake. The study was conducted by Wilbur Smith Associates, under contract to the Department of Parking and Traffic (DPT). The proposed ordinance would authorize the DPT to accept and expend an additional amount of \$51,825 in State Department of Transportation Program Supplement funds in order to modify the existing consulting contract with Wilbur Smith Associates to fund the study of an additional alternative configuration for the Central Freeway, and to cover the cost of additional community meetings that were held regarding the Areawide Traffic Study.

In the course of conducting the Areawide Traffic Study, a specific alternative configuration of the area roads was developed, known as the South of Market Refinement, which had not previously been considered. The South of Market Refinement alternative would include a low single-deck freeway crossing over Market Street, an underpass below Haight Street, and ramps to Van Ness and to Duboce from the freeway. Because the South of Market Refinement was not included in the original contract for the Areawide Traffic Study, additional funds are required to conduct an analysis of the traffic flow and other factors arising under this

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alternative, and for expenses associated with additional public meetings.

The South of Market Refinement has been recommended by the Citizens Advisory Task Force on the Central Freeway, and the Board of Supervisors has approved a resolution forwarding the South of Market Refinement, plus one other proposed alternative, to Caltrans and requesting that Caltrans include these two alternatives in the planning process leading up to a final decision by Caltrans on the Central Freeway.

As noted above, these funds will be used to modify an existing consultant contract. The Department of Parking Traffic previously conducted a Request for Proposal process for the consulting services, and selected Wilbur Smith Associates as the consultant. Wilbur Smith Associates is not an MBE/WBE firm. One of the sub-contractors on this project, Pittman & Hames, is an MBE/WBE firm, and another, Stevens & Associates, is a WBE firm. The budget for the additional consultant services is as follows:

<b>Budget:</b>	Wilbur Smith Associates	
	147 hours @ average rate of \$98.50/hr.	\$14,470
	Sub-contractors	17,750
	Direct costs	<u>3,530</u>
	Project Total	\$35,750
	Remaining funds (See Comment No. 1)	<u>16,075</u>
	Total	\$51,825

**Required Match:** None

**Indirect Costs:** Waived, in accordance with grantor requirements

**Comments:**

1. Mr. Jerry Robbins of DPT advises that DPT was previously notified by Caltrans that Program Supplement funds totaling \$51,825 would be available to extend the Areawide Traffic Study, and that DPT should submit a resolution allowing the City to request reimbursement from Caltrans for up to this full amount. However, DPT advises that only the amount of \$35,750, as shown above, is required for the contract, and that the DPT will not request reimbursement from Caltrans for the remaining available amount of \$16,075. Mr. Robbins advises that any unspent amount under the Program Supplement is not available for other uses by the City, but will be re-allocated by Caltrans.

2. The traffic flow analysis of the South of Market Refinement and other consultant services funded by these monies were carried out in November and December;

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therefore, the proposed ordinance provides for ratification of action previously taken.

3. The Attachment is a Grant Application Information Form, as completed by DPT.

4. The Disability Access checklist for this project is in the Clerk of the Board's file.

**Recommendation:** Approve the proposed ordinance.

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Department of Parking and Traffic

Contact Person: Gerald Robbins Telephone: 554-2343

Project Title: Central Freeway Arrowide Traffic Study

Grant Source: State Department of Transportation

Proposed (New / Continuation) Grant Project Summary:

This is an increase to an existing study grant regarding the Central Freeway. Several unforeseen expenses were encountered during the study. This grant will be used to reimburse the consultant for these costs.

Amount of Grant Funding Applied for: \$ 51,825

Maximum Funding Amount Available: \$ 51,825

Required Matching Funds: 0

Number of Positions Created and Funded: 0

Amount to be Spent on Contractual Services: up to \$ 51,825

Will Contractual Services be put out to Bid? No



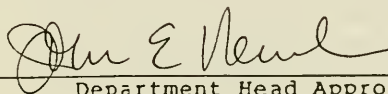
Term of Grant: through March 31, 1996

Date Department Notified of Available funds: Feb. 1, 1995

Application Due Date: not applicable

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

This is an extension to an existing grant to study alternatives to retrofitting the Central Freeway.



Department Head Approval



Item 4 - File 124-96-2

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of January 23, 1996.

**Department:** Department of Parking and Traffic  
Parking Authority

**Item:** Ordinance amending Section 32.2 of Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) to require a permit to park in additional areas adjacent to San Francisco General Hospital.

**Description:** The proposed ordinance would require a special hospital parking permit to park in street areas within the property lines of SFGH. Revenues from these special hospital parking areas would pay a portion of the debt service from the sale of \$25 million in 1995 Parking Meter Revenue Bonds. These bonds were issued to finance parking projects in the City, including constructing an 800-space parking garage near San Francisco General Hospital. The garage is scheduled to be completed in May, 1996.

According to Mr. Kevin Hagerty of the DPT, there would be approximately 142 monthly parking spaces in the new special hospital parking permit area. However, rates for the monthly parking permits are subject to separate approval of the Board of Supervisors. Mr. Hagerty advises that the DPT will provide specific revenue estimates for the special parking permit area at such time as rates are submitted to the Board of Supervisors for approval. Any permit revenues from this proposed special parking permit area would be applied to offsetting the SFGH's portion of the annual debt service costs from the \$25 million Parking Meter Revenue Bonds.

In addition to the parking permit revenues, Parking Tax revenues, equal to 25 percent of parking permit revenues, would accrue to the General Fund as a result of this proposed new special parking permit area at SFGH. The DPT will provide specific Parking Tax estimates when the monthly parking permit fees are presented to the Board of Supervisors for approval, according to Mr. Hagerty. Parking taxes would be required from these permits because the monthly permit fee would represent a parking related charge similar to a monthly permit fee at a City-owned garage, Mr. Hagerty reports. Ms. Linda Ross of the City Attorney's Office concurs that the Parking Tax would be required for the monthly permits in the special parking permit areas at SFGH.

**Comments:**

1. The attached map indicates the street locations of the special hospital parking permit areas and the location of the SFGH garage. As indicated, the permit areas would include:

- √ the north side of 22nd Street from Potrero Avenue to San Bruno Avenue;
- √ the south side of 22nd Street from Potrero Avenue to Vermont Street;
- √ the west side of San Bruno Avenue north of 22nd Street; and
- √ both sides of Vermont Street between San Bruno Avenue and 23rd Street.

These areas are all adjacent to San Francisco General Hospital.

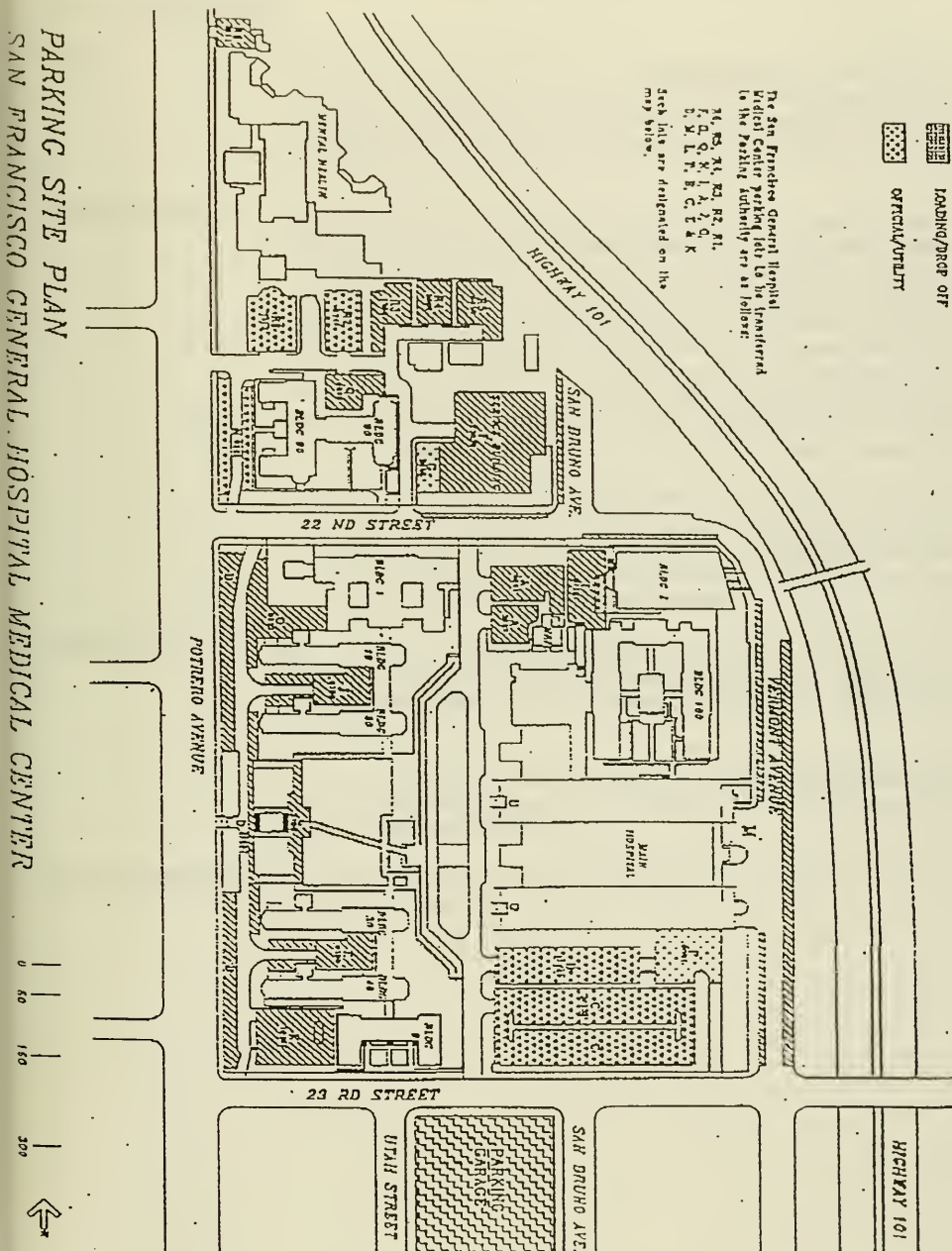
2. Mr. Hagerty reports that no additional incremental costs will be incurred as a result of the new special hospital parking permit areas. Existing Parking Control Officers, as well as SFGH security staff, will be used to patrol the new permit areas, according to Mr. Hagerty.

**Recommendation:** Approval the proposed ordinance is a policy matter for the Board of Supervisors.

The San Francisco General Hospital Medical Center parking lot to be transferred to the Parking Authority are as follows:

24, 23,	21,	22, R1,
F, D, Q, X, I, A, C,		
2, 3, L, T, E, C, T, A, K		

Such lots are designated on the map below.







Item 6 - File 51-95-4

**Item:** This item is a hearing transmitting claims of City and County employees, from various departments for reimbursement for the cost of personal property, which was damaged or stolen in the line of duty in October, November, and December of 1995.

**Description:** Section 10.25-1 of the Administrative Code authorizes the Controller to provide reimbursement to City employees to recover part or all of the costs of replacing or repairing equipment or property that has been damaged or destroyed in the line of duty without the fault of the City employees, subject to the approval of the Board of Supervisors. The Controller recommends reimbursement after reviewing the claim and after reviewing the Department Head's certification that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable.

Of the eight employee claims submitted, the Controller's Office has denied two claims, has recommended that one claim be paid in full and two claims be partially paid, and returned three claims to the Department (San Francisco General Hospital) for further processing.

**Comments:** 1. The Controller has certified that funds are available for these employee reimbursements from the Claims and Judgments General Fund account, included in the 1995-96 budget.

2. As shown in the Attachment, the Controller has recommended reimbursements totaling \$144.75 to three City and County employees.

**Recommendation:** Prepare in and report a resolution authorizing payment of the subject claims.

REIMBURSEMENT FOR DAMAGED OR STOLEN  
PERSONAL PROPERTY OF CITY EMPLOYEES

Date: February 13, 1996  
File No. 51-95-4

Department <u>Claimant</u>	Amount <u>Claimed</u>	Controller's <u>Recommended</u>	<u>Comments</u>
<u>San Francisco General Hospital</u>			
Christopher T. Retajczyk	345.00	0.00	Stolen Stethoscope/Otoscope/Otoscope Head. Item unattended for extended period despite history of theft in area.
<u>Chief Administrative Officer</u>			
Sam Chong	45.00	22.50	Damaged Clothing. Loss incurred due to defective City property. Reduce amount of replacement due to age of clothing.
<u>City Planning</u>			
William Wycko	45.00	0.00	Stolen Watch. While item was necessary for performance of employee duties, employee failed to exercise due diligence by leaving it on desk overnight.
Daj Oberg	85.00	85.00	Stolen Camera. Item essential to employee's performance of duties stolen from secured area.
<u>Public Works</u>			
Lesley Wong	108.20	37.25	Stolen Software. Item essential to employee's performance of duties stolen from secured area. Reduce amount of replacement based on actual employee cost.
	<u>628.20</u>	<u>144.75</u>	

Returned to Department for further processing:

<u>San Francisco General Hospital</u>		
Lola Escobar	1,759.00	Stolen Purse.
Kelley Bracy	715.00	Stolen Purse.
Susan Harmon	100.00	Torn Clothing.

Item 7 - File 172-96-2

**Item:**

The proposed resolution would approve a Stadium Naming Rights Agreement, as recommended by the Recreation and Park Commission, between the City and the San Francisco Forty Niners (49ers) for the four-year period from February 1, 1996 through January 31, 2000. Under the proposed agreement, the 49ers would be authorized to rename the City's Candlestick Park Stadium, using any name subject to some conditions, without approval of the Recreation and Park Commission or the Board of Supervisors. In consideration for granting such renaming rights to the 49ers, the 49ers would pay \$3.5 million to the City in the following installments:

<u>Date</u>	<u>Payment Amount</u>
February 1, 1996.....	\$1.5 million
November 1, 1996.....	\$1.0 million
November 1, 1997.....	<u>\$1.0 million</u>
Total .....	\$3.5 million

Such payments would accrue as a departmental revenue to the General Fund - Recreation and Park Department, Candlestick Park.

In addition to the \$3.5 million in payments shown above, the City received \$500,000 in naming rights revenue from the 49ers under an agreement that covered the six-month period of September 1, 1995 through January 31, 1996. Because that separate agreement did not produce revenue to the City in excess of \$1.0 million, it was not subject to approval by the Board of Supervisors.

**Description:**

1. The purpose of the Naming Rights Agreement is to produce revenue that could be used to fund some of the Candlestick Park stadium capital improvements that are reportedly needed so that the facility can host the 1999 Superbowl. Based on previous presentations to the Board of Supervisors Budget Committee during a hearing in April, 1995, such improvements are expected to cost as much as \$26.8 million. Of that sum, the Recreation and Park Department estimated, at that time, that approximately \$5.0 million could be paid from a naming rights agreement, or \$1.0 million more than the City would receive if the proposed agreement is approved. Mr. Sam Yockey, Finance Director of the Mayor's Office, has informed the Budget Analyst's Office that the matter of needed capital improvements, and the related costs, are now under review

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by the Mayor's Office in order to determine what projects will be necessary to hold the 1999 Superbowl at Candlestick Park.

2. After the Recreation and Park Commission approved the prior Naming Rights Agreement with the San Francisco 49ers that ran from September 1, 1995 through January 31, 1996 (for a payment of \$500,000), questions were raised over whether or not a broad, competitive solicitation could have resulted in more revenue for the City. In response to such questions, the Mayor's Office and the Recreation Park Department expanded their solicitation of potential bidders to 82 potential respondents nationwide for the longer term agreement that is the subject of this legislation. The listing of companies solicited may be found in the Board file for this resolution.

3. The initial letters requesting bids for the naming rights were sent to the 82 aforementioned companies in late September and early October, 1995. Bids were requested by December 15, 1995. The representative of the Mayor's Office conducting the solicitation, stated that responses were received from over 30 companies, five of which expressed some level of interest. Those five companies are: AT&T; American Express, the 49ers, Southwest Airlines and Sun Microsystems. Each of the five companies listed above were again contacted by letter from Mayor Jordan, urging those companies to submit a bid by the December 15, 1995 deadline. According to a memorandum submitted to the Recreation and Park Commission, Apple Computer, which reportedly had initially expressed some interest in bidding, subsequently was no longer interested.

4. Mr. Phil Arnold, Deputy General Manager of the Recreation and Park Department, states that the only formal bid submitted to the Recreation and Park Commission by the deadline date was from the San Francisco 49ers. Accordingly, Mr. Arnold then commenced negotiation with the 49ers.

5. The proposed agreement includes the schedule of payments to the City shown above, which totals \$3.5 million between February 1, 1996 (or the date of approval of the agreement) and November 1, 1997. In exchange, the 49ers will have the right to re-sell such naming rights to any company. The contract stipulates that such re-naming will abide by City and County policies on stadium advertising in selection of a sponsor, including the City's policy prohibiting advertising of cigarettes or tobacco on City

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property. The agreement further states that when the 49ers enter into a contract with a sponsor for the sale of the Stadium name, that such contract will be subject to the same terms and conditions of the agreement between the City and the 49ers, and that the 49ers will provide a copy of the sponsorship contract to the City.

However, as previously noted, such a contract between the 49ers and a sponsor company acquiring the naming rights to Candlestick Park, would not be subject to approval by the Board of Supervisors, or the Recreation and Park Commission.

6. The previous 1995 contract between the City and the 49ers for the naming rights, which as previously noted, was not subject to approval by the Board of Supervisors, provided that any Possessory Interest Taxes assessed on the 49ers would be paid by the 49ers to the City. (Possessory interest taxes are payable by private businesses using public property for profit-making enterprises; such taxes are payable in lieu of property taxes which would normally be paid if the property were not publicly owned.)

This proposed agreement would provide that such Possessory Interest Taxes would be paid from the \$3.5 million in total payments to be made by the 49ers to the City. The estimated annual possessory interest taxes amount to approximately \$35,000.

**Comments:**

1. Although this agreement does not name the company that will acquire the Candlestick Park naming rights from the 49ers, the Recreation and Park Commission received testimony from the 49ers that such rights have been sold to the 3Com Corporation, which would continue the relationship established between 3Com and the 49ers for the 1995 football season.

2. The Budget Analyst has requested but, as of the writing of this report, has not received a copy of the agreement between the 49ers and 3Com. The Budget Analyst believes that a review of this agreement should be conducted prior to the Board of Supervisors approval of the Naming Rights Agreement between the City and the 49ers in order to insure that the 49ers-3Com agreement is in compliance with policies of the Board of Supervisors. A copy of the 49ers-3Com agreement has been requested from Murlan Fowell, Director of Stadium Operations for the 49ers.

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The agreement between the City and the 49ers stipulates that the agreement between the 49ers and the sponsoring company that purchases the naming rights, should be submitted to the City. Such an agreement has never been obtained or reviewed by the Recreation and Park Department.

3. The Budget Analyst has further requested to review the Recreation and Park Department file on this proposed agreement, including correspondence from potential bidders received by the Recreation and Park Department. That file has not been provided to the Budget Analyst as of the writing of this report.

- Recommendations:**
1. Amend the proposed resolution to provide that any agreement between the 49ers and a sponsor company acquiring the naming rights to Candlestick Park should require the approval of the Board of Supervisors.
  2. Amend the proposed resolution to provide that any Possessory Interest Taxes assessed as a result of this agreement should be paid to the City in addition to the payments for the renaming rights that would be granted to the 49ers if this agreement is approved.
  3. Continue the proposed resolution, as amended, to the Call of the Chair pending submission to the Board of Supervisors and Budget Analyst of the agreement between the 49ers and 3Com in accordance with the proposed Naming Rights Agreement which the Board of Supervisors is being asked to approve by this resolution.

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Item 8 - File 25-96-1

**Department:** Port of San Francisco

**Item:** Resolution concurring with the controller's certification that Janitorial Services for the Port of San Francisco can continue to be practically performed by a private contractor at lower cost than by City and County employees.

**Services to be Performed:** Janitorial Services for the Port of San Francisco

**Description:** Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting Janitorial Services for FY 1995-96 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City-Operated Service Costs</u>		
Salaries	\$475,507	\$485,260
Fringe Benefits	<u>143,774</u>	<u>145,363</u>
Total	\$619,281	\$630,623
<u>Contractual Services Cost</u>	<u>395,200</u>	<u>395,200</u>
<u>Estimated Savings</u>	<u>\$224,081</u>	<u>\$235,423</u>

**Comments:** 1. The current two year contract expires on February 29, 1996, and is with the following three contractors: (1) Township Building Service; (2) Custodial, Janitorial Service and Building Maintenance; and (3) Ward's Building Maintenance. Custodial, Janitorial Service and Building Maintenance; and Ward's Building Maintenance are MBE firms. The term of the proposed contract is for a period of two years commencing March 1, 1996, with a one-year renewal option. Mr. Chris Stewart of the Purchaser's Office estimates that the janitorial services contract will be awarded prior to March 1, 1996.

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2. The Controller's supplemental questionnaire with the Port of San Francisco's responses is attached. Since the contractor has not yet been selected, the MBE/WBE status of the contractor, and whether or not the contractor will provide health benefits to its employees is unknown at this time.

3. Janitorial Services were first certified as required by Charter Section 8.300-1 in 1979 and have been continuously provided by an outside contractor since 1979.

**Recommendation:** Approve the proposed resolution.

## CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department: Port of San Francisco

Period: Fiscal Year 95-96

## 1) Who performed services prior to contracting out?

Services were performed by City staff consisting at the time of 15 janitors, 1 janitor sub-foremen, and 1 Janitor Foremen, a total of 17 people, prior to the work being contracted out in November 1979.

## 2) Number of City employees laid off as a result of contracting out? 16 people were laid off but immediately or shortly thereafter, hired by other City departments.

## 3) Explain disposition of employees if they were not laid off. All were rehired in other City departments during 1979/80.

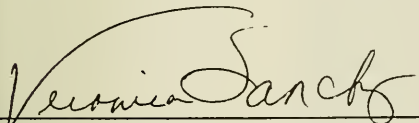
## 4) What percent of a City employee's time is spent on services to be contracted out? If work was not to be contracted out, it would require 17 FTE.

## 5) How long have the services been contracted out? Since 1979.

## 6) What was the first fiscal year for a Proposition J Certification? 1979

## 7) How will contract services meet the goals of your MBE/WBE Action Plan? Contractor has not yet been selected. Prior contractors have been MBE firms.

## 8) Does the contractor provide health insurance for its employees? Contractor has not been selected.

  
\_\_\_\_\_  
Department Representative (Signature)

Veronica Sanchez

Print Name

(415) 274-0413

Telephone



Item 9 - File 47-96-1

**Department:** Department of Real Estate (DRE)  
Parking Authority

**Item:** Resolution accepting Peter Ling as lessee of certain commercial space at Moscone Center Garage by negotiated agreement.

**Location:** Moscone Center Garage, 243-45 Third Street  
Commercial Spaces Nos. 5 and 6

**Purpose of Lease:** Florist shop.

**Lessor:** City and County of San Francisco

**No. of Sq. Ft. and Lease Rate/Month:** 1,240 square feet, \$1,240 per month (or \$1.00 per square foot per month), with annual Consumer Price Index (CPI) adjustment.

**Annual Income:** \$14,880

**Term of Lease:** Five years, commencing upon approval of lease.

**Utilities and Janitor:** Provided by lessee.

**Comments:** 1. In 1986 the Board of Supervisors approved Ordinance No. 254-86, which authorized the Director of Property to arrange for the direct lease of commercial space at Moscone Center Garage, without a competitive bidding requirement. Mr. Harry Quinn of the DRE states that this arrangement was requested by the DRE and the Parking Authority because (1) most of the commercial space at the Moscone Center Garage does not have street frontage and receives very little pedestrian traffic, and the City did not wish to lease space to marginal businesses that were not financially responsible but might be attracted by the prospect of low rents; (2) the spaces needed substantial tenant improvements, and the DRE wanted to have the flexibility to negotiate with prospective tenants about such improvements and (3) particularly because of the marginal location, the Parking Authority and the DRE wanted to achieve a compatible mix of tenants that would attract customers of mutual benefit.

Mr. Quinn states that competitive bidding continues to be impractical at this site. He states that the subject space was leased for several years to the Convention Facilities Bureau

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as storage space, at a rate of \$300 per month, and is still in shell condition. He advises that, in the professional judgement of the DRE, because of the marginal nature of the space, competitive bidding would not elicit bids from financially responsible parties that could carry out the necessary tenant improvements and provide commercial uses that are compatible with the other commercial tenants.

Mr. Quinn advises that, although the subject lease is not the result of a competitive bid, the DRE has advertised the availability of the space through newspaper listings and signs in the windows.

2. Mr. Quinn states that the \$1.00 per square foot monthly lease rate represents the fair market value of the lease. Mr. Quinn reports that the adjacent space is leased to a restaurant for \$1.21 per square foot based on a rental appraisal. Mr. Quinn advises that the subject space should be rented for \$1.00 per square foot rather than \$1.21 per square foot because (1) it is further from Third Street frontage, and (2) it is currently in shell condition, requiring tenant improvements of \$20,000 to \$30,000 at the tenant's expense.

**Recommendation:** Approve the proposed resolution.



Item 10 - File 64-96-1

- Departments:** Real Estate Department (DRE)  
Chief Administrative Officer (CAO)
- Item:** Resolution authorizing an amendment of a lease of real property at 1145 Market Street for the CAO, Solid Waste Management Program.
- Location:** 1145 Market Street, fourth floor
- Description:** The proposed resolution would amend an existing lease between the City and One Trinity Center for office space on the fourth floor of 1145 Market Street used by the Solid Waste Management Program. The Solid Waste Management Program currently occupies 4,837 square feet of space in this building under a lease that expires June 30, 1996. The proposed amendment to the lease would add an additional 2,308 square feet of space, for a total of 7,145 square feet of space in this building, and would extend the lease to June 30, 2001.
- The existing lease rate for the 4,837 square feet that are now used by the Solid Waste Management Program is \$7,654 per month, based on \$1.58 per square foot, or \$91,848 annually. Under the proposed amendment, the starting lease rate for the 2,308 additional square feet of space would be approximately \$1.33, or \$3,068 monthly (\$36,816 annually). The lease rate for the existing 4,837 square feet of leased space would also be reduced by \$0.25 per square foot, from \$1.58 to approximately \$1.33 per square foot, upon the expiration of the current lease term, on June 30, 1996. Therefore, for the four month period from March 1, 1996, when the additional 2,308 square feet of space is scheduled to be occupied, through June 30, 1996, the rent for the total space would be \$10,722 per month (\$7,654 for the current space plus \$3,068 for the new space). From July 1, 1996 through the expiration of the amended lease on June 30, 2001, the monthly lease rate would total \$9,497 (\$6,429 for the current space plus \$3,068 for the new space) or \$113,964 annually.
- Comments:** 1. Ms. Kirsten Keller of the Solid Waste Management Program states that approximately 1,730 of the additional 2,308 square feet of space at 1145 Market Street will provide office space for nine employees. These include (1) five staff to be relocated from 3801 Third Street; (2) three staff to be relocated from the existing space at 1145 Market Street, where they currently share cubicles with other staff; and (3)

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an anticipated new staff person who may be hired to comply with State regulations.

In addition, 578 of the 2,308 square feet will be allocated for a resource center where members of the public, including businesses and individuals, can research hazardous materials disposal alternatives.

2. Of the nine staff persons who will be located in the new space, five would be relocated from space at 3801 Third Street, where the Solid Waste Management Program currently subleases space from the Department of Public Works (DPW) Bureau of Environmental Regulation and Management (BERM). The Solid Waste Management Program pays BERM \$1,725 per month (\$20,700 annually) through a work order in exchange for use of this 1,150 square foot space, including utilities and janitorial service. Mr. Steve Medbery of the BERM states that his office will work with the Solid Waste Management Program to reduce the work order based on the actual date when the Hazardous Waste Program staff vacate the space.

3. Mr. Steve Legnitto of the DRE states that the approximately 192 square feet of space per person (1,730 square feet divided by 9 persons) is a reasonable allocation of office space. The Solid Waste Management Program currently has 22 persons in 4,837 square feet of space in this building, or approximately 220 square feet per person.

4. Mr. Legnitto states that current office market conditions enabled the DRE to negotiate a reduction in the lease rate per square foot from the current rate of \$1.58 to \$1.33 per square foot. Mr. Legnitto states that \$1.33 per square foot represents the fair market value of office space in the area. Mr. Legnitto further advises that, under the terms of the proposed lease amendment, the lease rate would be fixed at \$1.33 per square foot, with no annual escalators, through the lease expiration date of June 30, 2001.

5. As previously noted, the Solid Waste Management Program would pay \$113,964 annually, beginning July 1, 1996, for the current space plus the new space at 1145 Market Street. The \$113,964 is \$1,416 more than the Solid Waste Management Program's current annual total lease amount of \$112,548 for space at 1145 Market Street and 3801 Third Street (\$91,848 plus \$20,700). In FY 1995-96, the Solid Waste Management Program would pay an additional \$5,372 (\$1,343 increase in monthly rent x 4 months), assuming an occupancy date of March 1, 1996, and assuming that payments on the work order to DPW for the 3801 Third

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Street space are reduced to reflect vacancy on March 1, 1996.  
Ms. Keller advises that funds are available from salary  
savings in FY 1995-96 to pay the additional \$5,372.

**Recommendation:** Approve the proposed resolution.

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Item 11 - File 82-96-1

**Department:** Real Estate Department  
Airports Commission

**Item:** Authorizing the acquisition of 61 noise easements in the City of Millbrae as a part of the Airport Master Plan's Memorandum of Understanding between the Airport and its neighboring communities.

**Amount:** Up to \$120,000,000

**Description:** The San Francisco International Airport's Home Insulation Master Plan Mitigation Program consists of insulating private residences in five cities, including the City of Daly City, the City of Pacifica, the City of San Bruno, the City of South San Francisco, and the City of Millbrae. These cities signed the 1992 Airport's Master Plan Memorandum of Understanding (MOU) which implements the noise mitigation element of the Airport's Master Plan.

In July of 1994, the Board of Supervisors approved a resolution authorizing the acquisition of 3,536 noise easements in the Cities of Daly City, Pacifica, San Bruno, and South San Francisco as part of the San Francisco International Airport's Home Insulation Master Plan Mitigation Program (82-94-4). The resolution did not include authorization to acquire noise easements in the City of Millbrae because the City of Millbrae did not sign the MOU to participate in the Home Insulation Master Plan Mitigation Program until September of 1994.

The proposed resolution would (1) authorize the City's Director of Property to purchase, on behalf of the City, 61 noise easements from property owners in the City of Millbrae, and (2) add these 61 noise easements to the existing list of noise easements which were previously authorized for acquisition by the Board of Supervisors.

The Airport's Home Insulation Master Plan Mitigation Program has two purposes: (1) it allows cities that have signed the MOU to receive Airport funds to insulate private residences; and (2) it enables the Airport to comply with State legal requirements.

The Airport has committed up to \$120,000,000 through the year 2000 to provide the cities that have signed the MOU with funds to insulate private residences from Airport noise.

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According to Mr. Jim Cheng of the Airport, the Airport anticipates funding the entire amount of \$120,000,000 through (1) Federal grant monies that the cities receive from the Federal Aviation Administration (FAA) for the purpose of reimbursing the Airport (80 percent of \$120 million or \$96 million), and (2) FAA grant funds provided directly to the Airport (20 percent of \$120 million or \$24 million). However, Mr. Cheng advises that in the event the cities do not receive the anticipated amount of FAA funds, the Airport will pay the balance with airport revenue bond funds (see Comment No. 2).

**Comments:**

1. The City Attorney's Office has previously reported that the purchase of noise easements does enable the City to comply with State legal requirements and should result in eliminating costs to defend against noise-related small claims lawsuits.

2. According to Mr. Cheng, thus far the Airport has acquired a total of 3,245 noise easements from private residences located in the five cities cited above, for a total cost of \$29,282,242. To date, the Airport has been reimbursed by the five cities from FAA funds in an amount of \$2,969,133, or 10.1 percent. The reason that an 80 percent reimbursement has not been received from the five cities is primarily due to delays which the five cities are experiencing in receiving Federal funds, according to Mr. Cheng. As noted above, in the event that the 80 percent reimbursement is not received by the Airport from the five cities, the Airport will pay for the balance with Airport revenue bond funds.

**Recommendation:** Approve the proposed resolution.



Item 12 - File 93-96-1

**Department:** Department of Human Resources

**Item:** Ordinance adopting and implementing the provisions of an arbitrator's award under the Memorandum of Understanding regarding the compensation of 5273 Principal Architect, 5270 Senior Architect, 5255 Architectural Associate II, 5265 Architectural Associate I and 5274 Landscape Architect, between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, and the City of San Francisco, to be effective retroactive to July 1, 1993, through June 30, 1997.

**Description:** In FY 1993-94, the City approved a new Memorandum of Understanding (MOU) with the International Federation of Professional and Technical Engineers, Local 21, and, at the same time, submitted to arbitration a disagreement between the City and the union over whether the Architect and Landscape Architect classes covered under the MOU should receive pay equity adjustments to set their compensation levels on a par with those of the Engineer classes. Further negotiations between the City and Local 21 beginning in 1994 delayed the arbitration process but failed to produce an agreement, and the matter was finally returned to arbitration, and a decision issued, in December of 1995.

The arbitrator's decision in this matter provides that the Architect classes will receive pay equity adjustments to set their compensation levels on a par with those of the Engineer classes. These pay equity adjustments mean that the five Architect classes in the City will receive different pay increases for each classification, with such increases ranging up to approximately 11 percent. The arbitrator's decision provides that the Landscape Architect classes will not receive pay equity adjustments, but instead will receive a salary increase previously proposed by the City of 3.5 percent for Landscape Architects and 4 percent for Senior Landscape Architects. All awards are retroactive to the effective date of the MOU, which was July 1, 1993.

The classifications and numbers of employees affected by this arbitration award are listed below. The Controller's Office advises that the rates of pay for the Architect and Landscape Architect classes which are referenced in the proposed ordinance are being reviewed for accuracy by the Controller and the Human Resources Department at this time (See Comment).

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Memo to Government Efficiency and Labor Committee  
February 13, 1996 Government Efficiency and Labor Committee Meeting

<u>Class</u>	<u>Title</u>	Number of Positions in 1995-96 Annual <u>Salary Ordinance</u>
5273	Principal Architect	1
5270	Senior Architect	13
5268	Architect	34
5266	Architectural Associate II	24
5265	Architectural Associate I	10
5275	Senior Landscape Architect	1
5274	Landscape Architect	2

**Comment:**

Mr. Matthew Hymel of the Controller's Office advises that the Controller's Office will request that this item be continued to the Government Efficiency and Labor Committee hearing of February 27, 1996, in order to allow the Controller and the Human Resources Department additional time to; (a) confirm the accuracy of the rates of pay for the Architect and Landscape Architect classes referenced in the proposed ordinance, and; (b) complete the Controller's estimate of the costs of the arbitration award implemented by the proposed ordinance.

**Recommendation:** Continue the proposed ordinance to the Government Efficiency and Labor Committee meeting of February 27, 1996, in accordance with the Controller's request.

Item 13 - Files 93-96-2

**Department:** Department of Human Resources

**Item:** Ordinance adopting and implementing the provisions of a departmental Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local 6 and the Department of Transportation to be attached to the current City-wide Memorandum of Understanding as Appendix 6 effective for the period of March 1, 1996 through June 30, 1996.

**Description:** The proposed ordinance would adopt and implement the provisions of an appendix to a departmental Memorandum of Understanding (MOU) between the Department of Transportation and the bargaining units of the International Brotherhood of Electrical Workers, Local 6. The proposed appendix to the MOU is for a three month period, from March 1, 1996 to June 30, 1996. Local 6 represents 39 classifications, comprising 599 authorized positions, at the Department of Transportation which would be covered by this appendix to the MOU. A detailed list of these classifications, including the number of authorized positions and the bi-weekly salary range, is attached (Attachment 1).

According to Ms. Vicki Rambo of the Human Resources Department (HRD), the proposed appendix to the MOU has no fiscal provisions. The appendix was negotiated between the Transportation Department and Local 6, and specifies certain working conditions, including the establishment of a labor-management committee, implementation of annual vacation scheduling, and assignment of shifts.

A statement by the Controller to the effect that the appendix to the MOU "should not result in any significant cost increase" is attached (Attachment 2).

**Comment:** The Budget Analyst agrees with the Controller that the proposed appendix to the MOU would have no fiscal impact.

**Recommendation:** Approve the proposed ordinance.

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BPREP REPORT IT30.COUN

CITY & COUNTY OF SAN FRANCISCO  
FISCAL YEAR 1995-96

RUN DATE: 2-JAN-1996 TIME: 2:44PM

POSITION CLASSIFICATION DETAIL REPORT - PHASE D  
SORTED BY JOINT COUNCIL EMPLOYEE ORGANIZATION

EMPLOYEE ORGANIZATION: LOCAL 6			CLASS NO	DESCRIPTION	RATE	COUNT	UNSTOLDED AMT	STOLDED AMT
BARG. UNIT	BARG. SUB UNIT							
1	L	6248		ELECTRICAL INSPECTOR.....	205302496	19	1,237,770	1,237,770
1	L	6249		SENIOR ELECTRICAL INSPECTOR.....	226482752	2	143,655	143,655
1	L	6250		CHIEF ELECTRICAL INSPECTOR.....	243682035	1	79,123	79,123
1	L	6251		LINE INSPECTOR.....	205302496	1	59,076	59,076
1	L	7214		ELECTRICAL TRANSIT EQUIPMENT SUPER	240303018	1	76,771	76,771
1	L	7216		ELECTRICAL TRANSIT SHOP SUPERVISOR	225282737	6	507,043	507,043
1	L	7229		TRANSMISSION LINE SUPERVISOR I...	198582412	2	125,907	125,907
1	L	7235		TRANSIT POWER LINE SUPERVISOR I...	198582412	6	393,183	393,183
1	L	7236		ELECTRICIAN SUPERVISOR I.....	198582412	9	566,580	566,580
1	L	7244		POWER PLANT SUPERVISOR I.....	160301946	1	51,185	51,185
1	L	7253		ELECTRICAL TRANSIT MECHANIC SUPERV I	204302493	6	456,577	456,577
1	L	7255		POWER HOUSE ELECTRICIAN SUPERVISOR	198582412	2	123,492	123,492
1	L	7256		ELECTRIC MOTOR REPAIR SUPERVISOR I	204302493	1	64,805	64,805
1	L	7257		COMMUNICATION LINE SUPERVISOR I...	198582412	2	125,906	125,906
1	L	7273		COMMUNICATION LINE WORKER SUPV II..	220982685	1	70,079	70,079
1	L	7274		TRANSIT POWER LINE WORKER SUPV II..	220982685	1	70,075	70,075
1	L	7275		CABLE SPLICER SUPERVISOR I.....	220982685	1	70,079	70,079
1	L	7276		ELECTRICIAN SUPERVISOR II.....	220982685	4	267,682	267,682
1	L	7279		POWERHOUSE ELECTRICIAN SUPV II.....	220982685	1	70,075	70,075
1	L	7287		SUPERVISING ELECTRICIAN MAINT TECHN	236582874	4	291,525	291,525
1	L	7308		CABLE SPLICER.....	198582412	11	661,219	661,219
1	L	7315		ELECTRONIC MAINTENANCE TECHNICIAN.	204302493	96	6,299,981	6,299,981
1	L	7319		ELECTRIC MOTOR REPAIRER.....	150681927	12	575,034	575,034
1	L	7329		ELECTRONICS MAINTENANCE TECH ASST	210482557	18	1,201,280	1,201,280
1	L	7338		ELECTRICAL LINE WORKER.....	175682135	41	2,290,517	2,290,517
1	L	7345		ELECTRICIAN.....	175682135	76	4,143,848	4,143,848
1	L	7346		POWERHOUSE OPERATOR.....	133681618	5	215,931	215,931
1	L	7365		SENIOR POWERHOUSE OPERATOR.....	150681827	5	245,849	245,849
1	L	7379		ELECTRICAL TRANSIT MECHANIC.....	150681827	128	6,231,316	6,231,316
1	L	7380		ELECTRICAL TRANSIT MECHANIC ASST S	185382252	13	799,941	799,941
1	L	7390		HELPER.....	154381871	9	430,015	430,015
1	L	7408		ASSISTANT POWER HOUSE OPERATOR.....	104781291	2	68,809	68,809
1	L	7409		ELECTRICAL TRANSIT SERVICE WORKER.	130481540	52	2,156,735	2,156,735
1	L	7430		ASST ELECTRONIC MAINTENANCE TECHNI	176821455	29	1,584,108	1,584,108
1	L	7432		ELECTRICAL LINE HELPER.....	152881844	3	144,381	144,381
1	L	7610		LIGHTING FIXTURE MAINTENANCE WORKE	097981185	11	337,412	337,412
1	L	9240		AIRPORT ELECTRICIAN.....	193682354	12	758,230	758,230
1	L	9241		AIRPORT ELECTRICIAN SUPERVISOR....	203382472	2	129,033	129,033
1	L	9242		HEAD AIRPORT ELECTRICIAN.....	220982685	1	70,072	70,072

TOTAL 599 33,166,339 33,166,339





## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

January 30, 1996

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Departmental MOU, Local 6

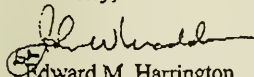
Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an appendix to the current Memorandum of Understandings (MOU) between the City and County of San Francisco and the International Brotherhood of Electrical Workers (Local 6). These provision will be in effect from March 1, 1996 to June 30, 1996.

Based on our analysis, this appendix to the current MOU appears to be non-economic in nature and should not result in any significant cost increase.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

Attachment

cc: Vicki Rambo, ERD  
Wendell Pryor, HRD  
Harvey Rose, Budget Analyst





Item 14 - File 97-96-3

**Department:** Controller

**Item:** Ordinance amending the Administrative Code to add Section 18.7.1 relating to the designation of a person to receive warrants or checks on the death of a City employee.

**Description:** The Controller reports that currently the final pay and allowances due to a deceased City employee are held by the Controller until legal documentation substantiating the ownership of the assets of the deceased employee is submitted by an executor or beneficiary to the Controller. According to the Controller, this process can take weeks or months, causing inconvenience and hardship to surviving relatives and beneficiaries.

The proposed ordinance would amend the Administrative Code by adding a new Section 18.7.1., which would authorize, in accordance with State law, that City employees may (1) file with his or her appointing officer a form designating a person to receive their pay warrants or checks in the event of their death, (2) that upon the death of the City employee, the person so designated will be entitled to receive all warrants and checks that would have been payable to the decedent, (3) that on sufficient proof of identity, the Controller shall issue the warrants or checks to the person designated by the City employee, (4) that the designation could be changed at the employee's option, and (5) that if an employee has not filed a designation form by July 1, 1996, any warrants or checks due to that employee could be made payable to the employee's estate and issued by the Controller to the beneficiary named pursuant to Section 16.79 of the Administrative Code. Under Section 16.79, "beneficiary" is defined as any person designated by an employee or retired employee to receive a benefit upon the death of said employee. Section 16.79 provides that if there is no beneficiary designated, the benefits owed to a deceased employee shall be paid to the employee's estate.

The Controller advises that the purpose of the proposed legislation would be to avoid the necessity of the Controller to hold the final pay or other allowances due a deceased employee pending the Controller's receipt and verification of probate forms.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
February 13, 1996 Government Efficiency and Labor Committee Meeting

**Comment:** Mr. Harrington estimates that the costs which would result from this proposed legislation (e. g., printing of forms) would be minimal and could be absorbed in the Controller's regular annual budgeted funds.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 15 - File 97-96-4

- Department:** City Attorney  
Assessment Appeals Board
- Item:** Ordinance amending Chapter 2B of the San Francisco Administrative Code by changing Section 2B.14 thereto changing the number of hearing officers selected from among the alternate members of the Assessment Appeals Boards.
- Description:** The proposed ordinance would amend Section 2B.14 of the Administrative Code to increase the number of assessment hearing officers who can be appointed from among the ranks of the alternate members of the Assessment Appeals Boards from six to nine. The effect of this proposed ordinance would be to make all nine alternate members of the Assessment Appeals Boards potentially available for appointment as hearing officers.
- Section 2B.14 of the Administrative Code provides that the Board of Supervisors may appoint one or more assessment hearing officers to conduct hearings on applications where (1) the applicant has filed an application in accordance with applicable law; (2) the property under consideration is a single-family dwelling, condominium, or cooperative, or a multiple-family dwelling of four units or less; and (3) the applicant has requested that the hearing be held before an assessment hearing officer. Ms. Sandra Schaefer of the City Attorney's Office advises that the Clerk of the Assessment Appeals Board calls members to serve as assessment hearing officers on an as-needed basis.
- In August of 1994, the Board of Supervisors approved a resolution increasing the number of alternate members of the Assessment Appeals Board from six to nine (Resolution 773-94). Ms. Sandra Schaefer of the City Attorney's Office states that, when the Board of Supervisors appointed persons to serve in these additional three positions, the resolutions containing their appointments designated them not only as alternate members of the Assessment Appeals Board, but also as assessment hearing officers. Therefore, Ms. Schaefer advises that, for consistency, the Administrative Code should be amended to reflect the fact that all nine alternate members of the Assessment Appeals Boards can be appointed to serve as hearing officers.
- Comment:** Ms. Schaefer states that the proposed ordinance would have no budget ramifications. Ms. Schaefer states that approval of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

the proposed ordinance would increase the number of persons in the pool from which the Clerk of the Board of Assessment Appeals can select hearing officers, but would not increase the actual use of hearing officers. Therefore, Ms. Schaefer states that the proposed ordinance would not increase the total compensation paid to assessment hearing officers.

**Recommendation:** Approve the proposed ordinance.

Item 16 - File 97-96-5

**Department:** Department of Public Health (DPH)

**Item:** Ordinance amending the Administrative Code by amending Section 19A.20 to authorize the Director of Public Health to contract for laboratory services with non-governmental parties.

**Description:** The proposed ordinance would amend the City's Administrative Code to authorize the Director of Public Health to enter into contracts to provide laboratory services to private sector organizations.

According to Dr. Sally Liska of the DPH, the DPH's Public Health Laboratories has been approached by Abbott Laboratories, a private corporation, to conduct clinical trials for a new tuberculosis (TB) test. This TB test, if successful, would detect the presence of the TB virus in no more than 48 hours, as opposed to the current diagnostic period of six to ten weeks. A quicker diagnostic period would represent a public health benefit, Dr. Liska advises, because TB, an airborne pathogen, represents a substantial public health risk, particularly in group settings such as schools and jails.

The DPH, along with seven other testing sites, would perform the new test on 1,000 blood specimens over a nine month period, while at the same time performing its current, longer-term diagnostic procedures on the same specimens. Abbott Laboratories would then compare the results of the new, faster blood test with the results of the current tests and provide the results to the Federal Food and Drug Administration (FDA). Based on these comparisons, the FDA could approve the new blood tests.

The estimated cost of performing these new TB blood tests for Abbott Laboratories would be \$62,322 (see below). Abbott Laboratories has offered to pay the DPH \$62,400 to support these costs. However, according to Ms. Paula Jesson of the City Attorney's Office, under the existing provisions of the City's Administrative Code, the DPH cannot enter into an agreement to provide laboratory services to Abbott Laboratories, because Abbott Laboratories is a private corporation, and the DPH is only empowered to enter into such agreements with public agencies.

The proposed ordinance would amend the Administrative Code to authorize the DPH to contract with private organizations to provide laboratory services.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
February 13, 1996 Government Efficiency and Labor Committee Meeting

**Budget:** The budget for this proposed TB testing, to be supported by funds from Abbott Laboratories, is as follows:

<u>Personnel</u>	<u>FTE</u>	<u>Biweekly Rate</u>	<u># of Pay Periods</u>	
Sr. Microbiologist	.50	\$2,298	13	\$14,937
Microbiologist	.50	2,084	13	13,546
Sr. Clerk Typist (1426)	.50	1,325	13	8,613
Total Salaries				\$37,096
Fringe Benefits @ 27%				10,016
Total Personnel	1.5			\$47,112
<u>General Expenses</u>				
Office Materials & Supplies				\$1,000
Laboratory Supplies				1,000
Telephone/Communication				180
Postage				200
Photocopying Expenses				120
Total General Expenses				\$2,500
<u>Equipment</u>				
Refrigerator				\$5,000
Facsimile Machine				250
Total Equipment Expenses				\$5,250
<u>Facilities</u>				
Minor remodeling				\$5,000
Additional Electrical panels				2,000
Telephone line installation				500
Total Facilities Expenses				\$7,500
Total Costs				\$62,362

- Comments:**
1. The DPH was selected by Abbott Laboratories to conduct the proposed TB testing because the DPH currently conducts large numbers of TB tests, according to Dr. Liska.
  2. Under the terms of the contract with Abbot Laboratories, Abbott Laboratories would remit half the \$62,400 contract amount, or \$31,200, to the DPH at the start of the project, and the remaining \$31,200 within 45 days of Abbott's receipt and approval of the final report.
  3. According to Mr. John Madden of the Controller's Office, in general, if the DPH entered into a contract with a private organization with the intent to expend in excess of its regular budget, then the Department would be required to return to the Board of Supervisors with a separate supplemental appropriation request, to be funded by revenues from the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



contract. In contrast, if the DPH entered into a contract with a private organization with the intent of not expending in excess of its regular budget, then any revenue from the contract would revert to the General Fund.

In this case, Dr. Liska advises that the DPH does intend to expend in excess of its budget; therefore, the Department will return with a request for Board of Supervisors approval of a supplemental appropriation.

4. Dr. Liska anticipates that the DPH's Public Health Laboratories may enter into similar agreements with other private organizations in the future, although no other specific agreements are proposed at this time.

**Recommendation:** Approve the proposed ordinance.



Memo to Government Efficiency and Labor Committee  
February 13, 1996 Government Efficiency and Labor Committee Meeting

Item 17 - File 133-96-1

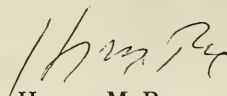
**Department:** Chief Administrative Officer  
Solid Waste Management Program

**Item:** Resolution authorizing the Chief Administrative Officer (CAO) to accept a cash gift of \$1,500 from the Steel Recycling Institute for the Solid Waste Management's Recycling Program.

**Description:** The proposed resolution would authorize acceptance, on behalf of the City, of a cash gift of \$1,500 from the Steel Recycling Institute for the CAO's Solid Waste Management's Recycling Program. The Recycling Program promotes waste prevention and recycling and has established a neighborhood campaign that encourages residents to recycle steel, junk mail, and plastic bottles. The gift will assist with paying for neighborhood campaign outreach expenses, including street signs, bus shelter advertisements, and phone calls.

**Comment:** The headquarters of the Steel Recycling Institute is located in Pittsburgh, Pennsylvania, and the company has a branch office in Marin County. The CAO advises that the Steel Recycling Institute, a non-profit agency, provides funding to public jurisdictions to promote the recycling of steel materials.

**Recommendation:** Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Ammiano	Clerk of the Board
Supervisor Teng	Chief Administrative Officer
Supervisor Yaki	Controller
President Shelley	Sam Yockey
Supervisor Kaufman	Paul Horcher
Supervisor Migden	Ted Lakey
Supervisor Alioto	
Supervisor Bierman	
Supervisor Hsieh	
Supervisor Kennedy	
Supervisor Leal	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



S90.31

#2

2/13/96

CALENDAR

REGULAR MEETING  
GOVERNMENT EFFICIENCY AND LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

FEB 20 1996

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TUESDAY, FEBRUARY 13, 1996 - 1:00 P.M.

Veterans Building  
401 Van Ness Ave., Room 410

PRESENT: Supervisors Tom Ammiano, Michael Yaki

ABSENT: Supervisor Mabel Teng

CLERK: Gail Johnson

CONSENT CALENDAR *Action Taken*

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item.
  - (a) File 214-94-7.2. [Reserved Funds, Juvenile Probation Department] Hearing to consider release of reserved funds, Juvenile Probation Department (AB 799 Funds), in the amount totaling \$92,088 to fund critical programs for the youths at Log Cabin Ranch. (Juvenile Probation Department)
  - (b) File 214-96-1. [State Grant, Juvenile Probation] Resolution authorizing the San Francisco Juvenile Probation Department to accept and expend grant monies in the amount of \$94,354.00 from the State of California, Department of the Youth Authority, for the administration of Log Cabin and Hidden Valley Ranches; waiving indirect costs. (Juvenile Probation Department)
  - (c) File 38-96-3. [Gift Acceptance, Police Department] Resolution authorizing the Chief of Police to accept, on behalf of the San Francisco Police Department, a redistribution gift of four generators from the Department of the Army. (Police Commission)
  - (d) File 68-96-1. [Disaster Relief Funds] Resolution authorizing the Mayor and other designated City and County officials to execute and file, on behalf of the City and County of San Francisco, an application for Federal and/or State Financial Assistance under the Robert T. Stafford Federal Disaster Relief and Emergency Assistance Act and the State Natural Disaster Assistance Act for funds as a result of the December 1995 storms. (Controller)

- (e) File 146-96-2. [Early Childhood Mental Health Services Program] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse to apply retroactively for a grant of \$1,515,193, from the Miriam and Peter Haas Fund, to create an integrated model of targeted consultation by establishing an intensive consultant training program which will prepare mental health practitioners to provide consultation, staff training, prevention and early intervention services and support for constituents of licensed, center-based early childhood programs serving San Francisco's low-income families; waiving indirect costs. (Supervisors Alioto, Leal)
- (f) File 146-96-3. [Grant, State Department of Rehabilitation] Resolution authorizing the Department of Public Health, Mental Health Services, to accept and expend a grant in the amount of \$128,065, from the State Department of Rehabilitation and to enter into a Cooperative Program Agreement and a Case Service Contract with the San Francisco Department of Rehabilitation District to provide vocational services to mentally-ill psychiatric clients; waiving indirect costs. (Supervisor Alioto)
- (g) File 146-96-4. [State Grant, Immunization Services] Resolution authorizing the Department of Public Health, Community Public Health Services, to accept and expend retroactively a grant of \$52,122 from the California Department of Health Services, for immunization services by Mission Neighborhood Health Center to immunize high-risk infants and toddlers; waiving indirect costs; providing for ratification of action previously taken. (Supervisor Alioto)
- (h) File 192-96-1. [State Grant, Retrofit of the Central Freeway] Resolution authorizing the Executive Director of the Department of Parking and Traffic to apply for, accept and expend up to \$51,825 in state funds for the modification and extension of an existing consultant contract in order to evaluate the feasibility of alternatives to the retrofit of the Central Freeway, waiving reimbursement of indirect costs; providing for ratification of action previously taken. (Department of Parking and Traffic)

ACTION: Items (d), (f) and (g) removed from Consent Calendar. Remainder of Consent Calendar recommended.

- d. File 68-96-1. Recommended.
- f. File 146-96-3. Hearing held. Recommended.
- g. File 146-96-4. Hearing held. Recommended.

### REGULAR CALENDAR

- 2. File 222-95-1. [Amendment, Civil Service Rule 19] Ordinance adopting and implementing an amendment to Civil Service Rule 19 requiring open public meetings of the Transport Workers Union, San Francisco Municipal Railway Trust Fund. (Civil Service Commission)  
(Consideration continued from 1/23/96)

ACTION: Consideration continued to February 27, 1996, meeting.



3. File 281-95-1. [Wireless Telecommunications Devices] Hearing to consider the health and aesthetic implications of the installation of wireless communications devices on public and private rights of way. (Supervisor Bierman, Shelley, Alioto)  
(Consideration continued from 1/23/96)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

4. File 124-96-2. [Parking Control, Street Areas Within SFGH] Ordinance amending Traffic Code Section 32.2 to require a permit to park in additional areas adjacent to San Francisco General Hospital; companion measure to File 199-96-1. (Department of Parking and Traffic)  
(Consideration continued from 1/23/96)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

5. File 40-96-3. [Residential Parking Area "W," Potrero Hill] Resolution establishing Residential Permit Parking Area "W" in the Potrero Hill Area, setting the boundaries therefor and the applicable time limitations. (Department of Parking and Traffic)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

6. File 51-95-4. [Employee Claims, Personal Property Damaged/Stolen] Hearing to consider claims of employees, various departments, for reimbursement for personal property damaged and/or stolen in the line of duty.

October, November, December, 1995

ACTION: Hearing held. Question divided. Claims for Lola Escobar, Kelley Bracy and Susan Harmon (San Francisco General Hospital) severed and considered separately under File 51-95-4.1. Resolution prepared in and reported out of Committee entitled: "[Reimbursement to Employees] Authorizing reimbursement for cost of personal property of City and County employees damaged/stolen in the line of duty." Recommended.

File 51-95-4.1. [Employee Claims of L. Escobar, K. Bracy and S. Harmon] Hearing to consider claims of Lola Escobar, Kelley Bracy and Susan Harmon (San Francisco General Hospital) for reimbursement for cost of personal property damaged or stolen in the line of duty.

Severed from File 51-95-4. Consideration continued to the Call of the Chair.

7. File 172-96-2. [Stadium Naming Rights Agreement] Resolution approving a stadium naming rights agreement with the San Francisco 49ers ("3COM Park") for the period from February 1, 1996 through January 31, 2000. (Recreation and Park Department)

ACTION: Hearing held. Consideration continued to February 27, 1996, meeting.

8. File 25-96-1. [Prop J Contract, Janitorial Services] Resolution concurring with the Controller's certification that janitorial services for the Port of San Francisco can be practically performed by a private contractor at lower cost than by City and County employees. (Port of San Francisco)

ACTION: Consideration continued to February 27, 1996, meeting.

9. File 47-96-1. [Lease, Moscone Center Garage] Resolution accepting Peter Ling as lessee of certain commercial space at Moscone Center Garage by negotiated agreement. (Real Estate Department)

ACTION: Hearing held. Recommended.

10. File 64-96-1. [Lease Amendment, 1145 Market Street] Resolution authorizing an amendment of a lease of real property at 1145 Market Street for the Office of the Chief Administrative Officer, Solid Waste Management Program. (Real Estate Department)

ACTION: Hearing held. Recommended.

11. File 82-96-1. [Noise Easements Acquisition, City of Millbrae] Resolution authorizing the acquisition of 61 noise easements in the City of Millbrae as a part of the Airport Master Plan's Memorandum of Understanding between the Airport and its neighboring communities - \$120,000,000. (Real Estate Department)

ACTION: Hearing held. Recommended.

12. File 93-96-1. [MOU, Arbitrator's Award, Local 21] Ordinance adopting and implementing the provisions of an arbitrator's award interpreting the provisions of the Memorandum of Understanding regarding the compensation of 5273 Principal Architect; 5270 Senior Architect, 5268 Architect; 5266 Architectural Associate II, 5265 Architectural Associate I and 5274 Landscape Architect, between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO and the City and County of San Francisco, to be effective retroactive to July 1, 1993 through June 30, 1997. (Department of Human Resources)

ACTION: Consideration continued to February 27, 1996, meeting.

13. File 93-96-2. [MOU, Implementing Provisions, Local 6] Ordinance adopting and implementing the provisions of a departmental Memorandum of Understanding between the International Brotherhood of Electrical Workers, Local 6 and the Department of Transportation to be attached to the current City-wide Memorandum of Understanding as Appendix 6, effective for the period March 1, 1996 through June 30, 1996. (Department of Human Resources)

ACTION: Hearing held. Recommended.

14. File 97-96-3. [Employee Pay Warrants] Ordinance amending Administrative Code to add Section 18.7.1 relating to the designation of person to receive warrants or checks on death of employee. (Controller)

ACTION: Hearing held. Recommended.

15. File 97-96-4. [Assessment Appeals Board, Hearing Officers] Ordinance amending Administrative Code by amending Section 2B.14, changing the number of hearing officers selected from among the alternate members of the Assessment Appeals Boards. (Also see File 54-94-8.) (City Attorney)

ACTION: Hearing held. Recommended.

16. File 97-96-5. [Public Health Laboratory Services] Ordinance amending Administrative Code by amending Section 19A.20 to authorize the Director of Public Health to contract for laboratory services with non-governmental parties. (Department of Public Health)

ACTION: Hearing held. Recommended.

17. File 133-96-1. [Steel Recycling Institute Receipt] Resolution authorizing the Chief Administrative Officer (CAO) of the City and County of San Francisco to accept and expend \$1,500 from the Steel Recycling Institute. (Chief Administrative Officer)

ACTION: Hearing held. Recommended.

### LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

18. File 45-96-5. [Flavio Medina, et al., v. CCSF, et al.] Ordinance authorizing settlement of litigation of Flavio and Jovita Medina against the City and County of San Francisco, by payment of \$6,162.42. (Municipal Court No. 117-249.) (City Attorney)

ACTION: Recommended.

19. File 45-96-6. [Marcia Rayene, v. CCSF] Ordinance authorizing settlement of litigation of Marcia Rayene against the City and County of San Francisco by payment of \$9,850. (Municipal Court No. 112-371.) (City Attorney)

ACTION: Recommended.

20. File 45-96-7. [Consuelo Bartenfeld v. CCSF, et al.] Ordinance authorizing settlement of litigation of Consuelo Bartenfeld against the City and County of San Francisco by payment of \$14,500. (Superior Court No. 961-353.) (City Attorney)

ACTION: Recommended.

21. File 46-96-4. [CCSF v. Palace Enterprises] Ordinance authorizing settlement of litigation of City and County of San Francisco v. Palace Enterprises et al., for Defendants' payment of \$25,000 in penalties to the City and stipulation to a permanent injunction. (Superior Court No. 969-380.) (City Attorney)

ACTION: Recommended.

22. File 48-96-6. [Settlement of Claim, CA State Automobile Assn.] Resolution approving the settlement of the unlitigated claim of California State Automobile Association by payment of \$9,519.59. (City Attorney)

ACTION: Recommended.

23. File 48-96-7. [Settlement of Claim, Leda P. Cartwright] Resolution approving the settlement of the unlitigated claim of Leda P. Cartwright by payment of \$40,000. (City Attorney)

ACTION: Recommended.

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

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February 23, 1996

**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendations for meeting of.*  
**SUBJECT:** February 27, 1996 Government Efficiency and Labor Committee Meeting

Item 1a - File 94-96-1

**Department:** Public Utilities Commission

**Item:** Resolution authorizing the Public Utilities Commission General Manager to apply for, accept and expend \$721,000 from the Intermodal Surface Transportation Efficiency Act (ISTEA) under the California Department of Transportation enhancement activities program for the historic restoration of the Sunol Water Temple and a nearby fountain.

**Grant Amount:** \$721,000

**Source of Funds:** ISTEA Transportation Enhancement Activities Program

**Grant Period:** July 1, 1996 through June 30, 1999 (three years)

**Project:** Sunol Water Temple Historic Restoration

**Description:** The Sunol Water Temple, located in Alameda County near I-680 and the Sunol Dam, was constructed in 1910 by the Spring Valley Water Company to mark the confluence of three water sources, the Alameda Creek, the De La Laguna



Creek, and the Pleasanton Wells. The Temple is a circle of twelve 50-foot fluted columns, surmounted by an inscribed tablet, with a tile roof. The underside of the roof is a polychrome ceiling of concentric figurative and geometric elements. The Temple is adjacent to a public use area. (See Attachment 1.)

The Temple was designated in 1976 by the American Society of Civil Engineers as a California Engineering Landmark, in recognition of the water works first built in 1888 in the surrounding area. The last rehabilitation work on the Temple was completed in 1962, and the facility is in need of further rehabilitation work, including restoration of artistic works, replacement of the wooden roof and tiles, and completion of general rehabilitation.

The proposed grant would support the historic restoration of the Temple and a nearby fountain, including conservation and repair of its architectural elements, restoration of the approach roadway and surrounding landscape, construction of stairways and accessible ramps and pathways, and upgrades to the public restrooms.

**Budget:**

The overall Temple restoration budget is as follows. These costs would be expended over the three-year grant period.

**Phase I Engineering**

**PUC Utilities Engineering Bureau**

**Design Engineering**

(approximately 1,645 hours  
at \$35.25 per hour) \$58,000

**Project Management**

(approximately 206 hours  
at \$43.75 per hour) 9,000

**Total PUC Utilities Engineering Bureau** \$67,000

**Consultation with City Departments**

**Art Commission - Art Work Conservation**

(approximately 1,695 hours  
at \$29.50 per hour) 50,000

**DPW - Landscape Architecture Design**

(approximately 993 hours  
at \$35.25 per hour) 35,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Water Department	
(approximately 229 hours	
at \$43.75 per hour)	\$10,000
City Planning - Environmental Review	
(approximately 120	
hours at \$33.25 per hour)	<u>4,000</u>
<i>Total Consultation with City Departments</i>	\$99,000

<u>Reproduction</u>	
Contract Documents	\$3,000
Environmental Documents	<u>1,000</u>
<i>Total Reproduction</i>	<u>4,000</u>

TOTAL PHASE I ENGINEERING COSTS	\$170,000
---------------------------------	-----------

<u>Construction</u>	
Contractual Services	<u>650,000</u>

TOTAL BUDGET	\$820,000
--------------	-----------

**Required Match:** \$99,000

**Indirect Costs:** Indirect costs are not allowed by the funder.

**Comments:** 1. The Title of this proposed resolution should be changed to show that the correct amount of the proposed grant is \$721,000 and not \$820,000. The amount of \$820,000 includes a local match of \$99,000. The resolution itself reflects the correct amount of the grant and the local match.

2. The \$99,000 local match would be supported from art enrichment funds to be set aside from the PUC capital improvement program, in accordance with the City's Administrative Code Section 3.13, which specifies that two percent of all construction projects should be set aside for art enrichment projects. According to Ms. Mary Williams of the PUC, the total cost for the Sunol Water Treatment Project is \$240 million. The \$99,000 local match represents a portion of the approximately \$4.8 million allocation for art enrichment, which is two percent of the \$240 million in total costs for the Sunol Water Treatment Project.

3. The proposed grant would include Contractual Services totaling \$650,000 for construction work. As of the writing of this report, the PUC has not selected its contractors. Therefore, \$650,000 should be reserved pending selection of contractors and provision by the PUC of detailed budget

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expenditures and information regarding the MBE/WBE status of the contractors.

3. Although the Temple is not located within the boundaries of the City and County of San Francisco, it is nevertheless the responsibility of the PUC because the PUC owns the Temple and the land on which it is situated.

4. Attachment 2 is a Summary of the Grant Request, as prepared by the DPH, for the proposed grant funds.

5. The DPH has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board.

**Recommendations:** 1. Amend the Title of the proposed resolution stating that the amount of the proposed grant is \$721,000, instead of \$820,000.

2. Amend the proposed resolution to reserve \$650,000 pending selection of contractors and provision by the PUC of detailed budget information and the MBE/WBE status of the contractors.

3. Approve the proposed resolution, as amended.



Sunol Water Temple and Immediate Landscape



Public Use Area Adjacent To Sunol Water Temple

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of The Board

The following describes the grant referred to in the accompanying resolution:

Department: Public Utilities Commission

Contact Person: Mary Williams Telephone: 554-0709

Project Title: Sunol Water Temple Historic Restoration

Grant Source: ISTEA Transportation Enhancement Activities Program

**Proposed (New / Continuation) Grant Project Summary:**

The Sunol Water Temple is a classically-inspired Beaux-Arts structure, a circle of 12 50' high fluted columns surmounted by an inscribed entablature, roofed in tile and topped with a dolphin finial. The underside of the roof is a polychrome ceiling of concentric figurative and geometric elements. The project comprises the historic restoration of the temple and nearby fountain, conservation and repair of its architectural and polychrome elements, restoration of the approach roadway and surrounding landscape in an interpretive xeriscape installation, construction of stairways and accessible ramps and pathways to integrate the adjacent picnic and rest area into the site, and upgrades to the public restrooms.

Amount of Grant Funding Applied for: \$721,000

Maximum Funding Amount Available: \$721,000

Required Matching Funds: \$99,000

Number of Positions Created and Funded: None

Amount to be Spent on Contractual Services: \$650,000

Will Contractual Services be put out to Bid? Yes



Term of Grant: July 1996 through June 1999

Date Department Notified of Available funds: July 1, 1996

Application Due Date: December 4, 1995

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Transportation enhancement funds are to be used for transportation-related projects that enhance quality-of-life, in or around transportation facilities. Projects must be over and above required mitigation and normal transportation projects, and the project must be directly related to the transportation system. The program should have a quality-of-life benefit while providing the greatest benefit to the greatest number of people.

Transportation enhancement activities must meet three basic criteria, based on instruction from the Federal Highway Administration:

"What is the direct relationship to the intermodal transportation system?"

Projects must have at least one direct relationship to the intermodal transportation system, which consists of all forms of transportation in a unified, interconnected manner. This relationship may be one of function, proximity, or impact.

Is this over and above a normal project?"

Enhancement activities are over and above normal transportation projects.

Which category or categories encompass the transportation enhancement activities?"

Projects must be selected from one or more of the ten activities categories.

- Provision of facilities for pedestrians and bicycles.
- Acquisition of scenic easements and scenic or historic sites.
- Scenic or historic highway programs.
- Landscaping and other scenic beautification.
- Historic preservation.
- Rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals).
- Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bicycle trails).
- Control and removal of outdoor advertising.
- Archaeological planning and research.
- Mitigation of water pollution due to highway runoff.

\_\_\_\_\_  
Department Head Approval

*Robert M. Kintz*





Item 1b - File 133-96-2

**Department:** Chief Administrative Officer (CAO)  
CAO's Solid Waste Management Program

**Item:** Resolution authorizing the Chief Administrative Officer to accept and expend \$86,289 in discretionary grant funding from the California Integrated Waste Management Board (CIWMB), waiving indirect costs.

**Grant Amount:** \$86,289

**Grant Period:** January 1, 1996 to June 30, 1997 (18 months)

**Source of Funds:** California Integrated Waste Management Board (CIWMB)

**Project:** Implementation of a Household Hazardous Waste Pickup Project and a Decentralized Latex Paint Collection Project.

**Description:** On September 28 1995, the Board of Supervisors approved a resolution to authorize the CAO to apply for up to \$120,000 in grant funds from the CIWMB (File No. 133-95-8). The CIWMB approved a grant in the amount of \$86,289 for a residential hazardous waste pickup project and a decentralized latex paint collection project. The proposed resolution would authorize the CAO's Solid Waste Management Program to accept and expend \$86,289 in grant funds from the CIWMB to implement these two above-mentioned pilot projects for San Francisco residents.

Ms. Maria Baird of the Solid Waste Management Program advises that the two proposed projects would 1) provide for pickup services of household hazardous waste for San Francisco residents who do not own a vehicle and/or are unable to access the City's Household Hazardous Waste Collection Facility, and 2) establish approximately 10 latex paint collection sites that would be located throughout the City.

Mr. Alex Dong of the Solid Waste Management Program advises that the hazardous waste pickup service would be conducted through an appointment-based system rather than a curbside pickup system, and residents would be required to schedule a pickup appointment. Mr. Dong states that residents would not be able to leave hazardous waste materials in front of their property after scheduling an appointment for pickup service, whereas residents would be required to keep hazardous materials in a secured area until materials are picked up. Collected hazardous waste material would be taken by a contracted hauler, which has not been selected, to the City-owned Household Hazardous Waste Collection Facility that is located at 501 Tunnel Avenue near

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Candlestick Park for recycling or disposal, depending on the material.

The latex paint disposal project would consist of coordinating and negotiating with non-profit organizations and City Departments to establish 10 latex paint collection facilities strategically located throughout the City. The purpose of this project is 1) to encourage residents to properly dispose of unused paint, and 2) to encourage the selected collection sites to directly utilize unused, collected paint. Mr. Dong advises that a contracted hauler, which has not been selected, would pick up latex paint from the collection sites and take the materials to the City's Bureau of Building Repair, which is located at 2323 Army Street. At this location, the materials would be consolidated into 55-gallon drums and the shipped off-site to be recycled by the contractor.

**Budget:**

The budget details for the Household Hazardous Waste Pickup Project and a Decentralized Latex Paint Collection Project are as follows:

<u>Item</u>	<u>Amount</u>	
<u>Solid Waste Management Program Personnel</u>		
Assistant Program Manager		
(96 hours @ approximately \$29.56 per hour)	\$2,838	
Hazardous Waste Coordinator		
(80 hours @ approximately \$23.73/hour)	1,898	
Fringe Benefits	<u>331</u>	
Personnel Subtotal		\$5,067
<u>Materials and Supplies</u>		
Newspaper Advertising		
(24 ads @ \$200/each)	\$4,800	
Promotional Advertising		
(Design services)	825	
Print Flyers		
(3000 @ \$0.10/each)	300	
Paint Storage Sheds		
(10 sheds @ 283.25/each)	2,833	
Miscellaneous Costs	<u>1,214</u>	
Materials and Supplies Subtotal		9,972
<u>Contractor Services</u>		51,000
A contract for a registered hauler to pickup, transport, dispose of and/or recycle materials.		

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Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

Grants

10 grants to be awarded to non-profit organizations and City Departments to serve as unused paint collection facilities. \$20,250

**Total** **\$86,289**

**Required Match:** None

**Indirect Costs:** None. The grantor does not allow for the inclusion of indirect costs.

**Comments:** 1. Mr. Dong advises that the CAO will award a contract in the amount of \$51,000, based on a Request For Proposal (RFP) process, to a registered hauler to perform the following functions: 1) provide the necessary pickup services for both projects and 2) to recycle the materials. Mr. Dong states that the proposed budget of \$51,000 for Contractor services is preliminary in nature as the Department has not completed the RFP process. Therefore, the requested \$51,000 for proposed Contractor services should be reserved, pending the submission of finalized cost details, estimated hours, hourly rates, and the MBE/WBE status of the contracted hauler.

2. Mr. Dong advises that the CAO will award 10 grants to City Departments and non-profit agencies located in the City to serve as unused paint collection facilities. According to Mr. Dong, grants will be awarded based on three criteria: 1) a facilities' ability to utilize and store unused paint; 2) the location of the facility; and 3) the facilities' willingness to participate in this pilot project. Mr. Dong states that the proposed budget of \$20,250 for 10 collection-site grants is preliminary in nature as the Department has not awarded the proposed grants. Therefore, the requested \$20,250 for the proposed collection-site grants should be reserved, pending the submission of 10 finalized grant agreements, the locations of the facilities, and cost details.

3. As noted, the start-up date for the proposed grant funds is January 1, 1996; however, according to Mr. Dong, no expenditures have been incurred against the grant funds to date. As such, authorization for the CAO to accept and expend the funds retroactively is not required.

4. The CAO's Grant Application Information Form is attached.

5. The Disability Access Checklist is on file with the Clerk of the Board's Office.

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- Recommendation:**
1. Amend the proposed resolution to reserve a total of \$71,250 for Contractor services (\$51,000) and collection-site grants (\$20,250), pending the submission of a) finalized cost details, estimated hours, hourly rates, and the MBE/WBE status of a contracted hauler and b) 10 finalized grant agreements, cost details, and locations of the collection-site facilities.
  2. Approve the proposed resolution as amended.

Item 1c - File 213-96-1

**Department:** Public Transportation Commission (PTC)

**Item:** Resolution authorizing the Public Transportation Commission to apply for, accept and expend up to \$1,000,000 of Federal Transit Administration Capital Assistance Section 3 Funds and up to \$250,000 in local matching funds from various State and local funding sources.

**Grant Amount:** Up to a total of \$1,250,000 including:

Up to \$1,000, 000 - Federal Transit Administration Capital Assistance Section 3 Funds  
Up to \$250,000 - Various State and local funding sources, including, but not limited to:

- State Transit Capital Improvement Funds
- State Urban Rail Bond Funds
- State Clean Air & Transportation Act Bond Funds
- State Traffic Systems Management Funds
- Bridge Toll Net Revenues
- Regional Measure One Funds
- Gas Tax Revenues

**Grant Period:** Two years from the date that the Board of Supervisors approves the proposed legislation

**Source of Funds:** Federal Transit Administration Capital Assistance Section 3 Funds and various State and local funding sources as identified above

**Project:** Livable Urban Streets-Mission Street Transit Demonstration Project

**Description:** The proposed grant funds would, according to Mr. Jerry Levine of the PTC, be used to purchase and install "pedestrian-scale" street lamps on the inner side of the sidewalk along Mission Street between 13th and Randall Streets. Mr. Levine states that, while these street lamps would be shorter than standard street lights, the exact height and positioning of these street lamps has not yet been determined. Approximately five street lamps per block would be installed on each side of Mission Street or a total of up to 200 street lamps. Mr. Levine advises that the purpose of this project is to (1) provide greater illumination for a safer environment in the area for pedestrians and transit users and (2) enhance the esthetic image of the retail area, aimed at increasing pedestrian traffic and transit ridership. According to Mr. Levine, the proposed street lamps would

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supplement the approximately 200 existing standard street lights along Mission Street, which are located on the roadway side of the sidewalk.

<b>Budget:</b>	Construction/Installation	\$525,000
	Engineering/Design - DPW	145,000
	Project Management - DPW	155,000
	Equipment	<u>425,000</u>
	Total	\$1,250,000

**Required Match:** \$250,000

**Indirect Costs:** None - the Federal grantor does not allow these grant funds to be used to pay for indirect costs.

**Comments:** 1. Mr. Levine reports that the PTC has not yet selected a contractor to provide the necessary construction services. Additionally, Mr. Levine advises that, as of the writing of this report, the PTC is unable to provide the budget details for the PTC's preliminary estimated costs for engineering/design, project management, and equipment. Therefore, the \$1,250,000 should be placed on reserve pending (1) the PTC's selection of a contractor and submission of the MBE/WBE status of the contractor and contract cost details and (2) the PTC's submission of budget details for the engineering/design, project management, and equipment costs.

2. Mr. Levine advises that the PTC has already submitted the application for the proposed grant funds. As such, the proposed legislation should be amended to authorize the PTC to apply for the proposed grant funds retroactively.

3. As noted above, the project budget does not include indirect costs because the Federal grantor does not allow these grant funds to be used to pay for indirect costs. Therefore, the title of the proposed legislation should be amended to authorize the waiver of indirect costs.

4. Attached is the grant summary, as prepared by the PTC, for the proposed grant program.

5. The PTC has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board's Office.

**Recommendations:** 1. Amend the proposed resolution to authorize the PTC to apply for the proposed grant funds retroactively and to waive indirect costs.

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Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

2. Amend the proposed resolution to reserve the \$1,250,000 in grant funds pending (1) the PTC's selection of a contractor, submission of the MBE/WBE status of the contractor and contract cost details and (2) the PTC's submission of budget details for engineering/design, project management, and equipment costs.

3. Approve the resolution as amended.

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Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: PUBLIC TRANSPORTATION DEPARTMENT

Contact Person: Jerry Levine Telephone: 415-923-2576

Project Title: Livable Urban Streets - Mission Street Transit Demonstration Project

Grant Source: Federal Transit Administration

**Proposed (New / Continuation) Grant Project Summary:**

This grant represents the construction phase of a project designated to make the Mission District a more livable community by improving transit facilities and services in the Mission Street corridor. It consists of the purchase and installation of pedestrian scale street running from 13th to Randall Streets along Mission Street.

This project consists of the installation of a colonnade of pedestrian-scale street lamps stretching out along the length of Mission Street from 13th to Randall Streets. After three community planning workshops, the residents and merchants concluded that the nighttime lighting is the most significant safety issue for pedestrians and transit users. The existing lighting fails to provide a level of illumination at the sidewalk consistent with the expressed needs of pedestrians.

The proposed lighting would be installed with approximately five new fixtures per block on each side of Mission Street in the area from 13th to Randall streets. The spacing and extent of this scheme would help create a unified image along the length of Mission Street. This twenty block project area may be shortened if required by funding constraints. If costs prove to be significantly higher than original estimates, the new lighting can be carried "natural boundary" at Cesar Chavez Boulevard, (about 2/3 of the way from 13th to Randall).

Amount of Grant Funding Applied for: \$1,000,000

Maximum Funding Amount Available: \$1,000,000

Required Matching Funds: \$ 250,000

Number of Positions Created and Funded: 0

Amount to be Spent on Contractual Services: \$525,000

Will Contractual Services be put out to Bid? Yes

Term of Grant: 24 monthsDate Department Notified of Available funds: Not notified yet.Application Due Date: 12/31/95 - Already submitted 12/15/95.

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

## BASIC OBJECTIVES:

- o Encourage community participation in planning, design and implementing transit facilities and services.
- o Improve access to jobs, services and schools.
- o Increase transit attractiveness via mixed use development and services/conveniences in and around facilities.
- o Promote clean, safe, secure community environments.

To be considered for funding, projects must be transit-related and promote the concept of a "livable community" in the area adjacent to the project.

Francis E. Whelan  
Department Head Approval



Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

Item 1d - File 213-96-2

**Department:** Public Transportation Commission (PTC)

**Item:** Resolution authorizing the Public Transportation Commission to apply for, accept and expend \$2,161,536 of Federal Enhancement Program Assistance funds and \$285,047 from various non-Federal match sources for three Municipal Railway capital improvement projects, including \$58,316 of indirect costs.

**Grant Amount:** \$2,161,536

**Grant Period:** July 1, 1996 through June 31, 1997

**Source of Funds:** Federal Enhancement Program Assistance

**Projects:** MUNI Metro Accessibility Platform Enhancements  
MUNI Metro Signage and Enhancements  
Historic Trolley Pole Replacement - Van Ness Avenue

**Description:** The proposed resolution would authorize the PTC to apply for, accept and expend Federal Enhancement Program Assistance funds in the amount of \$2,161,536. These grant funds, plus the \$285,047 in non-Federal matching funds, for total project costs of \$2,446,583, would support three projects, as follows:

MUNI Metro Accessibility Platform Enhancements	\$585,867
MUNI Metro Signage and Enhancements	731,000
MUNI/Van Ness Ave. Historical Trolley Pole Replacement	<u>1,129,716</u>
TOTAL COSTS	\$2,446,583
(includes grant amount plus matching funds)	

**MUNI Metro Accessibility Platform Enhancements** would consist of providing ceramic treatments, decorative rails, and other artistic enhancements at all disability-access MUNI platforms. The **MUNI Metro Signage and Enhancements** would consist of installing new directional signs and artists' work in all MUNI Metro Stations. **MUNI Van Ness Avenue Historic Trolley Pole Replacement** would consist of replacing the regular, industrial-looking street light/electrical poles with decorative poles along the entire length of Van Ness Avenue.

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**Budget:** The following represents the total budget for the three proposed projects, including the grant amount of \$2,161,536 and the non-Federal match of \$285,047:

<u>PUC Project Management</u>	
Project Manager I (2,000 hours at \$32/hr)	\$64,013
<u>Design/Consultant Services</u>	197,490
<u>Construction/Materials</u>	2,126,764
<u>Indirect Costs</u> (including Mandatory Fringe Benefits and Cost Allocation Plan expenditures)	<u>58,316</u>
<b>TOTAL PROJECT BUDGET</b>	<b>\$2,446,583</b>

**Required Match:** \$285,047

**Indirect Costs:** \$58,316

**Comments:** 1. The indirect costs of \$58,316, or approximately 2.4 percent of the total project costs of \$2,446,583, have been included in the project budget in accordance with the appropriate percentages established in the FY 1995-96 PTC Cost Allocation Plan, according to Ms. Gail Bloom of the PTC.

2. Ms. Bloom reports that the source of funds for the non-Federal match for this proposed grant, at \$285,047, would include but not be limited to such sources at State Transit Capital Improvement funds, State Clean Air and Transportation Improvement Act bond funds, State Transit Assistance funds, Transportation Development Act funds, Bridge Toll Net Revenues, Regional Measure One funds, Gas Tax revenues, Transit Impact Development fees, San Francisco MUNI Railway Improvement Corporation funds, San Francisco County Sales Taxes, and/or Port of San Francisco funds.

3. The three projects to be supported by these proposed grant funds have been identified as eligible to receive Federal Enhancement Program Assistance funds because they are transportation enhancement activities related to near-term capital priorities in the Municipal Railway Short Range Transit Plan, Ms. Bloom advises.

4. The PTC has completed a Disability Access Checklist, which is on file with the Clerk of the Board.

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5. A Summary of Grant Request form is attached.

6. The PTC has not selected contractors for Design/Consultant Services, at \$197,490, or for Construction/Materials, at \$2,126,764, for a total of \$2,324,254. Therefore, the proposed resolution should be amended to reserve these amounts, pending provision by the PTC of specific budget details and the MBE/WBE status of the contractors.

**Recommendation:** Amend the proposed resolution to reserve \$2,324,254 pending selection of contractors and provision by the PTC of specific budget details and the MBE/WBE status of the contractors, and approve the resolution as amended.

**GRANT APPLICATION INFORMATION FORM**

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: 40 PUC / 35 MUNI

Contact Person: Gail Bloom Telephone: (415) 923-2573

Project Title: Transportation Enhancement Activities Grant 1996/97 cycle

Grant Source: Federal Transit Administration

Proposed (New\*/ Continuation \*\*) Grant Project Summary:

1. MUNI Metro Accessibility Platform Enhancements\*\*
2. MUNI Metro Signage & Enhancements\*
3. Historic Trolley Pole Replacement - Van Ness Avenue\*

Amount of Grant Funding Applied for: \$2,161,536

Maximum Funding Amount Available: \$15,000,000

Required Matching Funds: \$285,047

Number of Positions Created and Funded: Not Applicable

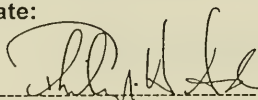
Amount to be Spent on Contractual Services: \$2,234,254

Will Contractual Services be put out to Bid? Yes

Term of Grant: Not Applicable

Date Department Notified of Available funds: Not Applicable

Application Due Date: Not Applicable

  
\_\_\_\_\_  
Department Head Approval

Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

Item 1e - File 230-96-1

**Department:** Human Rights Commission (HRC)

**Item:** Resolution authorizing the Human Rights Commission to apply for, accept and expend retroactively a grant of \$151,891 from the United States Department of Housing and Urban Development to provide for a Fair Housing Education and Outreach Program.

**Grant Amount:** \$151,891

**Grant Period:** March 1, 1996 through June 30 1997 (18 months)

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Project:** Fair Housing Education and Outreach Program

**Description:** As part of the 1987 Federal Housing and Community Act, the Department of Housing and Urban Development (HUD) implemented the Fair Housing Initiatives Program (FHIP) to enhance HUD's ability to enforce compliance of fair housing laws. The Housing and Community Act regulates against discrimination of tenants or potential tenants based on such factors as age, ethnicity, or religious affiliation.

The proposed grant funds would be used by the Human Rights Commission to educate and provide outreach activities to San Francisco renters, property owners, property managers, realtors, and community organizations as to fair housing regulations. Mr. Donald Hesse of the HRC advises that the focus of these activities would target Spanish and Chinese speaking populations.

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**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

**Budget:** The proposed budget for the 18 month period from March 1, 1996 through June 30, 1997, is as follows:

<u>Personnel</u>	<u>FTE</u>	
2991 Fair Housing Coordinator (Program Director)	0.20	\$19,344
Fringe Benefits		3,506
Secretary (1,560 hrs @ 14.50 per hour)	<u>0.50</u>	<u>22,620</u>
Subtotal Personnel	0.70	\$45,470
<u>Operating Expenses</u>		
Printing		\$5,000
Mailing costs		1,040
Mandated HUD Conference Fee		<u>5,000</u>
Subtotal Operating Expenses		11,040
<u>Contractors (see Comment No. 1)</u>		
Outreach and Education Services		85,381
<u>Consultants (see Comment No. 2)</u>		
Chinese Translation Services (125 hrs. at \$40 per hour)		\$5,000
Spanish Translation Services (125 hrs. at \$40 per hour)		<u>5,000</u>
Subtotal Consultants		<u>10,000</u>
TOTAL		\$151,891

**Required Match:** None

**Indirect Costs:** None (See Comment No. 3)

**Comments:** 1. Mr. Hesse advises that the total amount of \$85,381 for outreach and education services would be allocated as follows: (1) \$59,280 for contractors who will be selected through a Request for Proposal (RFP) process; and (2) \$26,101 for Project Sentinel, a non-profit agency. Mr. Hesse advises that Project Sentinel was selected on a sole-source basis. According to Mr. Hesse, Project Sentinel was identified in the original HUD application to provide education and outreach services because of Project Sentinel's experience in these areas. Attachment I, provided by the Department, is a detailed budget of Project Sentinel's expenses, including the \$26,101 in Federal funds which is the subject of this request.

Mr. Hesse advises that the Department will begin the RFP process for the remaining amount of \$59,280 pending

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**BUDGET ANALYST**

approval of the proposed resolution by the Board of Supervisors. Therefore, an amount of \$59,280 should be reserved pending the selection of the contractors, the MBE/WBE status of the contractors, and the submission of budget details.

2. Mr. Hesse advises that the Department has not selected consultants to provide the Chinese and Spanish languages translation services. Mr. Hesse advises that these consultants would be selected through an RFP process, pending approval of the proposed resolution by the Board of Supervisors. Therefore, an amount of \$10,000 should be reserved pending the selection of the consultants, the MBE/WBE status of the consultants, and the submission of budget details.

3. Mr. Hesse advises that the allocation of \$19,344 for the 2991 Fair Housing Coordinator would be used to reimburse the General Fund for the 2991 Fair Housing Coordinator, a position which is an existing full-time City position.

4. The HRC has prepared a Disability Access Checklist, which is on file with the Clerk of the Board's Office.

5. Attachment II is the HRC's Grant Application Information Form.

- Recommendations:**
1. In accordance with Comment Nos. 1 and 2 above, amend the proposed resolution to reserve \$69,280 for education and outreach contractors/consultants, pending the selection of the contractors/consultants, the MBE/WBE status of the contractors/consultants, and the submission of budget details.
  2. Approve the proposed resolution as amended.



## Budget Narrative Work Plan Format (continued)

Itemized Budget for Subcontractor

Project Sentinel					
DETAILED DESCRIPTION OF BUDGET					
(1) DIRECT LABOR					
Position or Individual	Estimated Hours	Rate/Hour	Estimated Cost	Federal Cost	In-Kind Cost
Executive Director	75	\$29/hr	\$2,175	-0-	\$2,175
Education Specialist	756	16.50/hr	12,474	12,474	-0-
Housing Counselor	630	14.50/hr	9,135	9,135	-0-
TOTAL DIRECT LABOR			\$23,784	\$21,609	\$2,175
(2) FRINGE BENEFITS					
Benefits	Rate	Base	Estimated Cost	Federal Cost	In-kind Cost
F.I.C.A., Unemployment, & Retirement	0.2079	\$ 21,609	\$4,492	\$4,492	-0-
OTHER COSTS					
Item	Quantity	Unit Cost	Estimated Cost	Federal Cost	In-Kind Cost
Litigation consultation	1.5 yr	\$5,000/yr	\$7,500	-0-	\$7,500
Facilities	1.5 yr	500/yr	750	-0-	750
Volunteers	1.5 yr	2,000/yr	3,000	-0-	3,000
Media Space	Radio TV	1,500 1,000	2,500	-0-	2,500
TOTAL SUBCONTRACTOR COSTS			\$42,026	\$26,101	\$15,925



Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

The Board of Supervisors  
Attn: Clerk of the Board

following describes the grant referred to in the accompanying  
olution:

Department: HUMAN RIGHTS COMMISSION  
Contact Person: DONALD HESSE Telephone: 252-2500  
fax 431-5764  
Project Title: Fair Housing Education and Outreach  
Grant Source: U.S. Department of Housing and Urban Development

Proposed (New / Continuation) Grant Project Summary:

To provide education and outreach in fair housing  
laws and practices to renters, tenants, homeseekers,  
managers, realtors, owners and community organizations,  
with particular emphasis on Spanish speaking and Chinese  
speaking populations.

Amount of Grant Funding Applied for: \$ 151,891  
Maximum Funding Amount Available: 151.891  
Required Matching Funds: n/a  
Number of Positions Created and Funded: .7 FTE  
Amount to be Spent on Contractual Services: \$95,381  
Will Contractual Services be put out to Bid? Yes

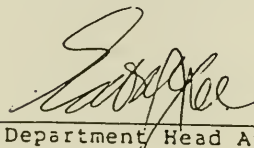
Term of Grant: 18 months

Date Department Notified of Available funds: April 1995

Application Due Date: July 21, 1995

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

The Housing and Community Act of 1987 established the Fair Housing Initiatives Program (FHIP) to strengthen the Department's enforcement of the fair housing act and to further fair housing. This program assists projects and activities designed to enforce and enhance compliance with the Fair Housing Act and substantially equivalent state and local fair housing laws. Included as a category established for funding under FHIP, are education and outreach activities, for which local governments are eligible grantees.



Department Head Approval

Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

Item 2 - File 25-96-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of February 13, 1996.

**Department:** Port of San Francisco

**Item:** Resolution concurring with the controller's certification that Janitorial Services for the Port of San Francisco can continue to be practically performed by a private contractor at lower cost than by City and County employees.

**Services to be Performed:** Janitorial Services for the Port of San Francisco

**Description:** Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting Janitorial Services for FY 1995-96 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City-Operated Service Costs</u>		
Salaries	\$475,507	\$485,260
Fringe Benefits	<u>143,774</u>	<u>145,363</u>
Total	\$619,281	\$630,623
<u>Contractual Services Cost</u>	<u>395,200</u>	<u>395,200</u>
<u>Estimated Savings</u>	<u>\$224,081</u>	<u>\$235,423</u>

**Comments:** 1. The current two year contract expires on February 29, 1996, and is with the following three contractors: (1) Township Building Service; (2) Custodial, Janitorial Service and Building Maintenance; and (3) Ward's Building Maintenance. Custodial, Janitorial Service and Building Maintenance; and Ward's Building Maintenance are MBE firms. The term of the proposed contract is for a period of two years commencing March 1, 1996, with a one-year

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renewal option. Mr. Chris Stewart of the Purchaser's Office estimates that the janitorial services contract will be awarded prior to March 1, 1996.

2. The Controller's supplemental questionnaire with the Port of San Francisco's responses is attached. Since the contractor has not yet been selected, the MBE/WBE status of the contractor, and whether or not the contractor will provide health benefits to its employees is unknown at this time.

3. Janitorial Services were first certified as required by Charter Section 8.300-1 in 1979 and have been continuously provided by an outside contractor since 1979.

4. The Port has requested that this item be continued to the Call of the Chair to allow the Purchaser additional time to research concerns raised about the potential contractor.

**Recommendation:** In accordance with Comment No. 4. above, continue this item to the Call of the Chair, as requested by the Port.

## CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department: Port of San Francisco

Period: Fiscal Year 95-96

## 1) Who performed services prior to contracting out?

Services were performed by City staff consisting at the time of 15 janitors, 1 janitor sub-foremen, and 1 Janitor Foremen, a total of 17 people, prior to the work being contracted out in November 1979.

## 2) Number of City employees laid off as a result of contracting out? 16 people were laid off but immediately or shortly thereafter, hired by other City departments.

## 3) Explain disposition of employees if they were not laid off. All were rehired in other City departments during 1979/80.

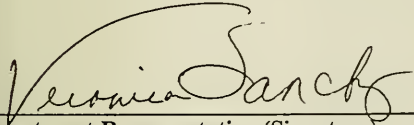
## 4) What percent of a City employee's time is spent on services to be contracted out? If work was not to be contracted out, it would require 17 FTE.

## 5) How long have the services been contracted out? Since 1979.

## 6) What was the first fiscal year for a Proposition J Certification? 1979

## 7) How will contract services meet the goals of your MBE/WBE Action Plan? Contractor has not yet been selected. Prior contractors have been MBE firms.

## 8) Does the contractor provide health insurance for its employees? Contractor has not been selected.

  
\_\_\_\_\_  
Department Representative (Signature)

Veronica Sanchez

\_\_\_\_\_  
Print Name

(415) 274-0413

\_\_\_\_\_  
Telephone





Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

Item 3 - File 172-96-2

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of February 13, 1996. The proposed agreement between the City and the San Francisco Forty Niners was sent back to the Recreation and Park Commission. The Recreation and Park Commission adopted an amended version of the agreement on February 15, 1995 based on inquiries raised by the Government Efficiency and Labor Committee. This report is based on the amended agreement that has been provided to the Budget Analyst.

**Item:** The proposed resolution would approve a Stadium Naming Rights Agreement, as recommended by the Recreation and Park Commission, between the City and the San Francisco Forty Niners (49ers) for the four-year period from February 1, 1996 through January 31, 2000. Under the proposed agreement, the 49ers would be authorized to rename Candlestick Park "*3Com Park at Candlestick Point*", subject to the Board of Supervisors approval of this resolution. In consideration for granting such renaming rights to the 49ers, the 49ers would pay \$3.9 million to the City in the following installments:

<u>Date</u>	<u>Payment Amount</u>
February 1, 1996.....	\$1.5 million
November 1, 1996.....	\$1.0 million
November 1, 1997.....	<u>\$1.4 million</u>
Total .....	\$3.9 million

The payment of \$3.9 million to be made by the 49ers to the City is \$400,000 more than the \$3.5 million which had been included in the prior agreement which was submitted to the Government Efficiency and Labor Committee at its meeting of February 13, 1996.

Additionally, under the amended agreement, in contrast to the prior agreement, the 49ers would be granted two one-year options after the year 2000 and would pay the City \$900,000 for each option year.

All of the above payments to be made by the 49ers to the City would accrue as a departmental revenue to the General Fund - Recreation and Park Department, Candlestick Park.

In addition to the above payments, the amended agreement provides that the 49ers will pay up to \$39,000 annually for Possessory Interest Taxes that may be due as a result of this renaming agreement and related agreements. Possessory

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Interest Taxes are payable by private businesses using public property for profit-making enterprises; such taxes are payable in lieu of Property Taxes which would normally be paid if the property were not publicly owned.

The City received \$500,000 in naming rights revenue from the 49ers under a previous agreement that covered the six-month period of September 1, 1995 through January 31, 1996. Because that separate agreement did not produce revenue to the City in excess of \$1.0 million, it was not subject to approval by the Board of Supervisors.

That previous agreement for the naming rights provided that any Possessory Interest Taxes assessed on the 49ers or the name sponsor would be paid out of the \$500,000 in total proceeds which the 49ers paid to the City for the renaming rights. Therefore, effectively, the City received no additional funds for the Possessory Interest Taxes.

**Description:**

1. After the Recreation and Park Commission approved the prior Naming Rights Agreement with the San Francisco 49ers that ran from September 1, 1995 through January 31, 1996 (for a payment of \$500,000), questions were raised over whether or not a broad, competitive solicitation could have resulted in more revenue for the City. In response to such questions, the Mayor's Office and the Recreation Park Department expanded their solicitation of potential bidders to 82 potential respondents nationwide for the longer term agreement that is the subject of this proposed legislation. The listing of companies solicited may be found in the Board file for this resolution.
2. The initial letters requesting bids for the naming rights were sent to the 82 aforementioned companies in late September and early October, 1995. Bids were requested by December 15, 1995. The representative of the Mayor's Office conducting the solicitation, stated that responses were received from over 30 companies, five of which expressed some level of interest. Those five companies are: AT&T; American Express, the 49ers, Southwest Airlines and Sun Microsystems. Each of the five companies listed above were again contacted by letter from Mayor Jordan, urging those companies to submit a bid by the December 15, 1995 deadline. According to a memorandum submitted to the Recreation and Park Commission, Apple Computer, which reportedly had initially expressed some interest in bidding, subsequently was no longer interested.

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**BUDGET ANALYST**

3. Mr. Phil Arnold, Deputy General Manager of the Recreation and Park Department, states that the only formal bid submitted to the Recreation and Park Commission by the deadline date was from the San Francisco 49ers. Accordingly, Mr. Arnold then commenced negotiation with the 49ers.

4. The proposed agreement includes the schedule of payments to the City shown above, which totals \$3.9 million between February 1, 1996 (or the date of approval of the agreement) and November 1, 1997. In exchange, the 49ers will have the right to re-sell such naming rights subject to Board of Supervisors approval of the new name. The agreement stipulates that such re-naming will abide by City and County policies on stadium advertising in selection of a sponsor, including the City's policy prohibiting advertising of cigarettes or tobacco on City property. The agreement further states that when the 49ers enter into a contract with a sponsor for the sale of the Stadium name, that such contract will be subject to the same terms and conditions of the agreement between the City and the 49ers.

**Comments:**

1. In our previous report on this proposed agreement (for the February 13, 1996 Government Efficiency and Labor Committee meeting), the Budget Analyst recommended that the agreement be amended so that:

- a) the Board of Supervisors have authority to approve the renaming of Candlestick Park;
- b) the 49ers and/or sponsor company be fully liable for any and all possessory interest taxes; and,
- c) that a copy of the agreement between the 49ers and the sponsor (3Com Corporation) be provided to the City.

The proposed amended agreement presently before the Government Efficiency and Labor Committee complies with the first recommendation above (item a.); partially complies with the second (item b.) and has not complied with the last recommendation (item c.)

2. The Budget Analyst's recommendation that a copy of the agreement between the 49ers and the name sponsor (3Com Corporation) be provided to the City was made on the basis that the naming rights agreement that was before the Government Efficiency and Labor Committee specifically included a provision that the contractor (the 49ers) "...shall provide the City with a copy of the sponsorship contract."

Also, obtaining the agreement was necessary to determine the amount of the Possessory Interest Taxes due to the City.

That language requiring that the agreement between the 49ers and 3Com be provided to the City has now been removed from the present version of the proposed agreement pending before the Government Efficiency and Labor Committee. Instead, the agreement states that the City will be provided a copy of the "...stadium advertising contract" with Sony Corporation.

3. Despite the change in language discussed in Comment No. 2 above, the attached memo from Chief Assistant Assessor Verne Walton states that the Assessor, in accordance with her authority under State Revenue and Taxation Code Section 441, "will review" the agreement between 3Com and the 49ers in order to make an accurate assessment of the Possessory Interest Taxes that will result from such an agreement. Without a copy of the 49ers-3Com agreement, it is not possible to determine if the payment of up to a maximum of \$39,000 per year for Possessory Interest Taxes over four years (for a potential maximum total of \$156,000) will be sufficient to pay for the cost of all such Possessory Interest Taxes. In the event that this amount of \$156,000 is less than the total Possessory Interest Taxes owed, the City will be responsible for paying the balance of such Possessory Interest Taxes to the San Francisco Unified School District, the San Francisco Community College District, the Bay Area Air Quality Management District and the Bay Area Rapid Transit District, jurisdictions which receive Property Tax revenues. Therefore it is possible that the financial benefit of the proposed agreement between the City and the 49ers would be reduced by some unknown amount.

4. Section 23.6-1 of the Administrative Code states that, without Board of Supervisors approval, no agreement to lease or rent City property can provide that the City would assume the payment, in whole or in part, of Possessory Interest Taxes. Under that Administrative Code Section, the Recreation and Park Commission should have brought the 1995 football season agreement to the Board of Supervisors for approval, except that that agreement was not for the lease or rental of City property. The Budget Analyst recommends that Administrative Code Section 23.6-1 be amended to require that all agreements that could result in an assessment of Possessory Interest Taxes be submitted to the Board of Supervisors for approval.

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- Recommendations:**
1. Request the City Attorney to prepare an ordinance that will amend Administrative Code Section 23.6-1 to require that all agreements which could result in an assessment of Possessory Interest Taxes, and not just lease and rental agreements, be submitted to the Board of Supervisors for approval.
  2. Approval of the proposed naming rights agreement between the City and the 49ers is a policy matter for the Board of Supervisors.



## MEMORANDUM

DORIS M. WARD  
ASSESSOR

Date: February 16, 1996

To: Harvey Rose  
Budget Analyst

From: Verne Walton *Verne*  
Chief Assistant Assessor

Subject: 49er/3COM Naming Rights Agreement

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I reviewed the information contained in the memo from Mr. Phil Arnold to the Recreation and Park Commission, dated February 14, 1996. The data is inadequate for assessment purposes and any estimate of the possessory interest property tax resulting from a contractual arrangement between the 49ers and 3COM will be little more than a wild guess at this time.

The Assessor will review the contract documents to identify the property rights involved and the income stream to be capitalized for the estimated term of possession. The contract review will provide insight to such matters as:

1. Identification of any additional property rights other than Stadium Naming Rights.
2. Presence of nonassessable intangible value such as business enterprise value.
3. Total income received by the 49ers from 3COM.

Section 441, paragraph (d) contains the Assessors authority to obtain a taxpayers' records when such records are necessary to the assessment process. I believe staff will review the agreement between the 49ers and the Recreation and Park Commission; more importantly, staff will review the documents between 3COM and the 49ers.

VW/lcd

cc: Mr. Ken Bruce ✓  
Budget Analysts Office



Item 4 - File 93-96-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of February 13, 1996.

**Department:** Department of Human Resources

**Item:** Ordinance adopting and implementing the provisions of an arbitrator's award under the Memorandum of Understanding regarding the compensation of 5273 Principal Architect, 5270 Senior Architect, 5266 Architectural Associate II, 5265 Architectural Associate I, 5275 Senior Landscape Architect, and 5274 Landscape Architect, between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, and the City of San Francisco, to be effective retroactive to July 1, 1993, through June 30, 1998.

**Description:** In FY 1993-94, the City approved a new Memorandum of Understanding (MOU) with the International Federation of Professional and Technical Engineers, Local 21, and, at the same time, submitted to arbitration a disagreement between the City and the union over whether the Architect and Landscape Architect classes covered under the MOU should receive pay equity adjustments to set their compensation levels on a par with those of the Engineer classes. Further negotiations between the City and Local 21 beginning in 1994 delayed the arbitration process but failed to produce an agreement, and the matter was finally returned to arbitration, and a decision issued, in December of 1995.

The arbitrator's decision in this matter provides that the Architect classes will receive pay equity adjustments to set their compensation levels on a par with those of the Engineer classes. These pay equity adjustments mean that the five Architect classes in the City will receive different pay increases for each classification, with such increases ranging from approximately 4 percent up to approximately 11 percent. The arbitrator's decision provides that the Landscape Architect classes will not receive pay equity adjustments, but instead will receive a salary increase previously proposed by the City of 3.5 percent for Landscape Architects and 4 percent for Senior Landscape Architects. All awards are retroactive to the effective date of the MOU, which was July 1, 1993.

The classifications and numbers of employees affected by this arbitration award are listed below. The Controller's Office advises that the rates of pay for the Architect and Landscape Architect classes, and other data which are referenced in the

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proposed ordinance, are still being reviewed for accuracy by the Controller and the Human Resources Department at this time, and that the Controller's Office has not yet completed their estimate of the cost of the proposed arbitration award (See Comment).

		Number of Positions in 1995-96 Annual <u>Salary Ordinance</u>
<u>Class</u>	<u>Title</u>	
5273	Principal Architect	1
5270	Senior Architect	13
5268	Architect	34
5266	Architectural Associate II	24
5265	Architectural Associate I	10
5275	Senior Landscape Architect	1
5274	Landscape Architect	2

**Comment:** Ms. Susan Andrus of the Controller's Office advises that the Controller's Office has not yet completed their estimate of the cost of the proposed arbitration award, and, therefore, cannot provide this data to the Budget Analyst as of the writing of this report.

**Recommendation:** Since the Budget Analyst has been directed by the Board of Supervisors to analyze and report on all of the City's MOUs, we recommend that this item be continued to the Government Efficiency and Labor Committee meeting of March 12, 1996.

Item 6 - File 215-96-2

1. This is a hearing to consider what steps San Francisco is taking concerning the projected elimination or severe reduction of Federal funding for the Private Industry Council Summer Youth Employment and Training Program.

2. The Summer Youth Employment and Training Program is a program implemented by the Private Industry Council, Inc. (PIC), a non-profit organization, under the direction of the PIC's governing board and the Mayor. Mr. Steve Arcelona, Executive Director of the PIC, advises that he will report directly to the Government Efficiency and Labor Committee Meeting regarding the elimination or severe reduction of Federal funding for the PIC Summer Youth Employment and Training Program.



Item 7 - File 222-96-1

**Department:** Department of Human Resources

**Item:** Ordinance adopting and implementing the policy of the San Francisco Civil Service Commission regarding non-discrimination against qualified individuals with disabilities in accordance with State and Federal law.

**Description:** The purpose of Title I of the American with Disabilities Act of 1990 (ADA) was to eliminate workplace and employment discrimination for Americans with disabilities. The Act pertains to persons with a disability including a physical or mental impairment that has substantial limits on one or more major life activities who a) has requisite skills, experience education or other job-related requirements of a position, and b) who can perform the essential functions of the job. Employers, such as the City and County of San Francisco with 25 or more employees, were required to comply with the provisions of the ADA.

The purpose of the proposed ordinance is to specify the City and County of San Francisco's policy regarding employment practices related to ADA, which is to provide equal access to employment to qualified individuals with disabilities.

**Comments:** 1. A City ADA Task Force, which was comprised of representatives from various City departments including the Department of Human Resources and the Civil Service Commission, recommended that the City's Civil Service Commission, which is Charter-mandated to set policy, adopt a policy regarding compliance with the ADA in employment issues. Subsequently, the Civil Service Commission adopted an ADA policy (See the Attachment provided by the Civil Service Commission). The proposed ordinance would formalize this Civil Service Commission policy on behalf of the City. According to Ms. Evelyn Hogan-Jackson of the Department of Human Resources, non-discrimination against qualified individuals with disabilities means that the City must attempt to provide equal access to employment, including making reasonable accommodations in the Civil Service exam and application process, and in the work environment.

2. The proposed ordinance would also specify that the Director of Human Resources designate a Citywide ADA Coordinator who would be responsible for coordinating disability-related employment programs, and also oversee the development of procedures for implementing the ADA policy.

**BOARD OF SUPERVISORS**  
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3. The Office of the Author of the proposed ordinance will request the Chair to continue the proposed ordinance to the Call of the Chair.

**Recommendation:** Continue the proposed ordinance to the Call of the Chair.



Attachment

Civil Service Commission

Citywide Policy

## POLICY NUMBER 1.11

AMERICANS WITH DISABILITIES ACT CITYWIDE POLICYPOLICY STATEMENT

It is the policy of the City and County of San Francisco to provide equal access to employment for all qualified individuals with disabilities in all areas of employment. No qualified disabled person shall be denied employment or any other term, condition, or privilege of employment based upon disability or the need for a reasonable accommodation so long as the accommodation does not result in an undue hardship on the operations of the department and the City and County of San Francisco. All departments shall adhere to this policy, and it shall apply to all aspects of employment.

ADA REQUIREMENTS IN THE WORKPLACE

The federal Americans with Disabilities Act (ADA) of 1990 requires all public employers to address issues of discrimination against individuals with disabilities in all areas of employment and access to services.

This means that qualified employees and applicants with disabilities must be provided with equal access to employment opportunities and services without regard to their mental, physical or medical condition, so long as the accommodation needed to provide access to employment opportunities and services does not result in an undue hardship on business operations.

Discrimination against qualified people with disabilities with regard to any employment practices or terms, conditions and privileges of employment is prohibited. This prohibition covers all aspects of the employment process, including, but not limited to:

- application
- testing
- hiring
- assignment
- evaluation
- disciplinary actions
- training
- promotion
- medical examinations
- lay-off/recall
- termination
- compensation
- leave
- benefits

effective: 8/9/94



Item 8 - File 102-95-15

**Department:** San Francisco Police Department (SFPD)

**Item:** Resolution approving the exempt rank and position of Assistant Chief of the San Francisco Police Department pursuant to Charter Section 3.530

**Description:** Under Charter Section 3.530, if the Police Commission wishes to establish a new uniform classification in the San Francisco Police Department, and make such a classification exempt from the civil service provisions of the Charter, creation of the new rank and its exemption from civil service provisions must be recommended by the Civil Service Commission and approved by the Board of Supervisors.

The proposed resolution would approve the establishment and the exemption from civil service provisions of a new position, Assistant Chief, in the SFPD. The Civil Service Commission has recommended approval of this position, and of the exemption from civil service provisions.

Police Department positions that are exempt from civil service requirements are appointed and serve at the pleasure of the Chief of Police.

**Comments:** 1. An ordinance amending the FY 1995-96 Annual Salary Ordinance to establish the position of Assistant Chief (File 102-95-13), and a supplemental appropriation ordinance to provide funds for this position (File 101-95-53) were recommended at the Budget Committee meeting of February 21, 1996 for approval of the Board of Supervisors.

2. In FY 1995-96, funds for the position of Assistant Chief are being made available through the elimination of a Deputy Chief position and through reappropriation of premium pay funds to salaries in the Police Department's budget. The rate of pay established for the Assistant Chief position is \$4,635 biweekly or \$120,974 annually, and the rate of pay for the Deputy Chief is \$4,414 biweekly or \$115,205 annually. Because the pay rate for the Assistant Chief is higher than that for the Deputy Chief, creation of this position represents an estimated increased cost to the City, on an annual basis, of approximately \$5,769 in salaries (\$120,974 less \$115,205) and \$732 in retirement benefit costs, for a total of \$6,501 in increased annual personnel costs due to the creation of this position.

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Memo to Government Efficiency and Labor Committee  
February 27, 1996 Government Efficiency and Labor Committee Meeting

3. As noted above, creation of a new, exempt uniform classification in the Police Department requires approval by the Board of Supervisors of a separate resolution, as provided for in this legislation.

**Recommendation:** Approve the proposed resolution, consistent with the Budget Committee's prior recommendations concerning this position (Files 101-95-53 and 102-95-13).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 9 - File 23-96-1

**Department:** Controller's Office

**Item:** Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco, in the amount of \$2,690.78 a legal obligation of the City and County of San Francisco.

**Description:** According to Section 10.182 of the Administrative Code, a warrant issued by the City becomes void one year from the date issued. The payee of the warrant may present the warrant to the Controller for payment, up to three years from the original date. After that point, the statute of limitations has expired, and the Controller must obtain approval from the Board of Supervisors to issue payments for warrants which are over \$1,000 dollars.

The proposed resolution would waive the statute of limitations and would authorize the Controller's Office to replace two warrants issued by the Department of Public Health to two employees, including (1) Ms. Alison Matsunaga, and (2) Mr. George Elkin in the following amounts:

<u>Payee</u>	<u>Warrant No.</u>	<u>Date Issued</u>	<u>Amount</u>
Matsunaga, Alison	516-6174421	6/18/91	\$1,587.54
Elkin, George	516-6863973	4/07/92	<u>1,103.24</u>
	TOTAL		\$2,690.78

**Comments:** 1. According to Mr. Honorato Layug of the Controller's Office, (1) Ms. Matsunaga reported that she misplaced the above-listed warrant, and (2) Mr. Elkin reported he never received the above-listed warrant. Mr. Layug confirms that the warrants were never cashed, and have been canceled by the Controller's Office.

2. Mr. Layug advises that there are sufficient funds in the FY 1995-96 General City Responsibilities Budget to replace the subject warrants.

**Recommendation:** Approve the proposed resolution.

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Items 10 and 11 - Files 65-96-2 and 65-96-2.1

**Department:** Port Commission

**Items:** Item 11 - File 65-96-2 is a resolution adopting the Final Negative Declaration, finding and determining that the proposed Pier 38 Maritime Recreation Center (on the Embarcadero between Brannan and Townsend Streets) will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration.

Item 12 - File 65-96-2.1 is an ordinance approving a Lease Agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City and County of San Francisco operating by and through the San Francisco Port Commission for a Maritime Recreation Center at Pier 38.

**Description:** Pier 38 Maritime Recreation Center Project Overview

Mr. Nicholas Dempsey of the Port states that the Port's Pier 38 is currently vacant, except for a small area where boats owned by the proposed tenant, Carl Ernst, Jr., are being stored for a fee. On page 2 of a memo shown as Attachment No. 1 to this report, Port Executive Director Dennis Bouey states that the existing condition of Pier 38 is poor (requiring structural, roof and other repairs), and that Port staff have reported that there are significant structural problems related to the south wall and roof substructures on Pier 38.

The tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc., under this proposed lease agreement, approached the Port with a proposal for developing Pier 38. A Maritime Recreation Center would be designed at Pier 38 to provide a drystack (out-of-water) boat storage facility for approximately 300 motor boats, fueling services to customers, transient berthing, sales of new and used motor boats, motor boat rental, a maritime chandlery (store for maritime supplies), food and beverage services, customer parking, and public access. The tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc., would lease Pier 38 from the Port, as proposed in Item 12, File 65-96-2.1.

On February 13, 1996, the Port Commission authorized the Port to negotiate a lease on a sole source basis with Mr. Ernst and the Pier 38 Maritime Recreation Center, Inc. (See Attachment No. 2 for Port Resolution.) The Port Commission authorized negotiation of the lease without

conducting a competitive bid, on the grounds that a competitive bid would be impractical or impossible. The proposed lease is designed to encourage the tenants to improve the property without requiring expenditures on the part of the Port, according to Mr. Nicholas Dempsey of the Port. Lease provisions include a basic rent schedule that increases gradually over the term of the lease, and significant rent credits to the tenant for costs of repair expenditures and tenant improvements needed to construct the planned commercial facilities. Mr. Dempsey states that a long lease term of 20 years and nine months, with three five year options, or a total of 35 years and nine months, is designed to enable the tenants to amortize their investment in the property.

**Item 11 - File 65-96-2**

This is a resolution adopting the Final Negative Declaration finding that the proposed Pier 38 Maritime Recreation Center will have no significant impact on the environment.

On December 21, 1995 the Department of City Planning issued for public review a preliminary negative declaration for the proposed project. On February 2, 1996 the negative declaration was finalized by the Department of City Planning. The negative declaration was based on the project description developed by the proposed sole source tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

**Item 12 - File 65-96-2.1**

**Premises  
to be Leased:**

Pier 38, on the Embarcadero between Brannan Street and Townsend Street:

68,000 square feet of shed space (open bay warehouse space)  
28,000 square feet of apron space (dock area for public access)

7,800 square feet of Pier Bulkhead Office Space

180,000 square feet of water surface area (non-exclusive possession of water surface area)

**Comment:**

The Budget Analyst has requested further written documentation from the Port regarding all previous efforts to market this property, written detailed justification as to why the lease of Pier 38 should be awarded on a sole-source basis, and details regarding planned improvements to the property. Because this information was not available as of the writing of this report, and because the proposed lease

contains extremely complex provisions that warrant further review by the Budget Analyst, the Budget Analyst recommends that these items (Files 65-96-2 and 65-96-2.1) be continued to the March 12, 1996 meeting of the Government Efficiency and Labor Committee.

**Recommendation:** Continue the proposed resolution adopting a Final Negative Declaration (File 65-96-2) and the proposed ordinance approving a lease agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City to the March 12, 1996 meeting of the Government Efficiency and Labor Committee.

PORT OF SAN FRANCISCO



## MEMORANDUM

February 5, 1996

Ferry Building  
 San Francisco, CA 94111  
 Telephone 415 274 5400  
 Telex 275940 PSF LP  
 Fax 415 274 0822  
 Cable SFFPORTCOMM  
 Writer

TO: MEMBERS, PORT COMMISSION  
 Hon. Michael Hardeman, President  
 Hon. Frankie G. Lee, Vice President  
 Hon. Anne Halsted  
 Hon. Francis J. O'Neill  
 Hon. Preston Cook

FROM: Dennis P. Bouey *DPB*  
 Executive Director

SUBJECT: Adoption of Finding of Negative Declaration and Approval of Lease with Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. for a 20 year 9-month term with three 5-year options for a maritime recreation center at Pier 38.

DIRECTOR'S RECOMMENDATION: ADOPT FINDING OF NEGATIVE DECLARATION AND APPROVE LEASE AGREEMENT WITH CARL ERNST, JR. AND PIER 38 MARITIME RECREATION CENTER, INC.

BACKGROUND

Carl Ernst, Jr. and Pier 38 Recreation Center, Inc. (jointly and severally, "MRC") approached the Port desiring to lease substantially all of Pier 38 in order to establish a maritime recreation center. Mr. Ernst has over twenty years of recreational enterprise experience. He has operated marinas and boatyards in California at Lake Tahoe and Montara. Over two years of market research and concept analysis preceded his approaching the Port with this proposal. On August 29, 1995, the Port Commission adopted a resolution (Resolution 95-70) approving an Exclusive Right to Negotiate Agreement with MRC. A copy of the Memorandum and Resolution 95-70 is attached for your review and reference.

Staff has negotiated the terms of a proposed lease agreement with MRC consistent with the Port Commission's previously approved resolution.

The Pier 38 Maritime Recreation Center will offer dry boat storage and boat launching, small boat rental, transient berthing, new and used boat sales, a maritime chandlery, a casual dining snack bar and full service restaurant, related customer parking and general administrative offices and public facilities and enhanced public access. The proposed uses are consistent with the uses

THIS PRINT COVERS CALENDAR ITEM NO. 5C

currently permitted for this site. More importantly, the use as a maritime recreation center is consistent with the uses permitted and encouraged under the Draft Waterfront Land Use Plan. Pier 38 would be transformed into an active, inviting location for residents and visitors to gather and enjoy the waterfront.

The existing condition of the Pier 38 facility is poor. The Port Maintenance and Engineering Staff has reported that there are significant structural problems related to the south wall and the pier and roof substructures.

MRC would perform renovations of Pier 38. The MRC business plan envisions expenditures exceeding \$4.2 Million Dollars allocated as follows: \$1,595,000.00 for tenant improvements and repairs, including commercial and office build outs, boat storage facilities and public access enhancement; \$1,350,000.00 for structural and facility repairs, including repairs to the roof and walls and needed piling replacement, (some of which may be repairs otherwise the obligation of the Port) and \$1,255,000.00 for fixtures and equipment. These improvements will be financed by a combination of Tenant equity and State Department of Boating and Waterways and private loans.

Pursuant to Port Commission Leasing Policy adopted August 22, 1979, and subsequently amended by Resolution 80-95 on September 10, 1980, subsection 10, the Port may enter into negotiations with a tenant without competitive bid when competitive bid is impractical or impossible and the property is proposed to be used for maritime purposes. The proposed use is a maritime-related use. In addition, staff believes that issuing a Request for Proposals for this Facility would prove impractical and impossible for the following reasons:

- The physical condition of the Pier 38 Facility requires substantial repairs. Any bid proposal would require prospective users to underwrite the costs of needed structural, roof and other repairs which would preclude sufficient interest from qualified prospective bidders.
- The range and combination of maritime and related uses in the proposed use at Pier 38 are so unique as to preclude from the field of potential bidders any other users with the interest and ability to undertake the project other than MRC.
- The Pier 38 Facility has been vacant for over five years. The Port's direct marketing efforts over the past 3 years have resulted in no other proposals for other acceptable maritime or permitted uses for Pier 38 either under the existing zoning or the Draft Waterfront Plan.

Because the above stated reasons make competitive bidding impractical, competitive bid of this Lease is not required under Port Commission policy nor under San Francisco Charter or Administrative Code Section 2.6-1.

A Final Negative Declaration for the project was adopted and issued by the Department of City Planning on February 2, 1996.



The Final Negative Declaration is attached hereto for review. The Final Negative Declaration found that there is no substantial evidence that the proposed maritime recreation center could have a significant effect on the environment. No measures of mitigation are required.

### Terms

#### Premises

The Premises is comprised of 68,000 useable square feet of shed space, 28,000 square feet of pier apron and stringer, 7,800 square feet of bulkhead office, and the non-exclusive use of 180,000 square feet of water space.

#### Uses

##### Permitted Uses

A maritime recreation center limited to dry boat storage and launching facilities; transient berthing for not more than 72 hours per visit; small boat rental; maritime recreational equipment rental; new and used boat sales occupying not more than 7,500 square feet; a maritime chandlery occupying not more than 2,500 square feet; Casual Dining and Full Service Dining including therein the sale of alcoholic beverages for on-site consumption occupying not more than 5,000 square feet (No sales of alcoholic beverages for off-site consumption shall be permitted); general and administrative offices for related functions; customer parking for a maximum of 100 vehicles; related support locker rooms.

##### Prohibited Uses

The Lease will prohibit the use of the Premises for boat excursion services, site seeing tours, dinner or cocktail cruises, water taxi service, exercise, health spas or fitness centers, video arcades or electronic game rooms, R.V. storage, and public parking for other than customers or guests and non project-related office use.

#### Term

The Term is twenty (20) years and nine (9) months with three 5-year Options. The first nine months allow for initial build out of the Premises and for rent up of dry boat storage spaces. Options are provided in event of a delayed "1031" Exchange. (IRS rules allow for an "exchange" of fee interests and leasehold interests provided that the leasehold interest is for not less than 31 years.) If the tenant fails to effect the anticipated exchange within the first four years of the Term, the Options expire.

##### Right of Early Termination

The Tenant will have the one time right to terminate at the end of the tenth year of the Term or at other times if the Port fails to undertake Port maintenance items and the Tenant chooses not to undertake such repairs. The Port may terminate if MRC fails to secure all necessary governmental permits within the first 6 months of the Term or if, at the end of the third year, the Tenant has not made the minimum required investment as set forth below or if, upon written notice by the Port, the Tenant fails to repair a hazardous/life-safety condition which is either the Port's responsibility or the Tenant's responsibility to repair.



### Base Rent

The Base Rent schedule during the first 10 years of the Term is designed to guarantee the Port a cash flow equivalent to the net present value of a Base Rent equal to \$27,500 per month as if it had been adjusted by annual CPI increases. Within this \$27,500 per month Base Rent, \$22,000 is allocated to that portion of the Premises not used for restaurant uses ("Maritime Base Rent") and \$5,500.00 is allocated to the areas dedicated to Casual and Full Service Dining ("Restaurant Base Rent") (cumulatively "Base Rent")

The Base Rent schedule is structured as follows:

For the Preliminary Term (9 months) One Thousand Dollars (\$1,000.00) per calendar month.

For the First Lease Year: Five Thousand Five Hundred Dollars (\$5,500.00) per calendar month;

For the Second Lease Year: Eleven Thousand Dollars (\$11,000.00) per calendar month;

For the Third Lease Year: Sixteen Thousand Five Hundred Dollars (\$16,500.00) per calendar month;

For the Fourth Lease Year: Twenty One Thousand Five Hundred Dollars (\$21,500.00) per calendar month;

For the Fifth Lease Year: Twenty Seven Thousand Dollars (\$27,000.00) per calendar month;

For the Sixth Lease Year: ) Thirty Two Thousand Dollars (\$32,000.00) per calendar month;

For the Seventh Lease Year: Thirty Seven Thousand Five Hundred Dollars (\$37,500.00) per calendar month;

For the Eighth, Ninth and Tenth Lease Years: Forty Eight Thousand Dollars (\$48,000.00) per calendar month;

For the Eleventh through the Twentieth Lease Year: A Maritime Base Rent of Twenty Two Thousand Dollars ( \$22,000.00) adjusted by the CPI from the Lease Commencement Date (1996), plus an amount equal to the fair market rental value for the "Restaurant Base Rent" to be agreed upon by the parties or failing an agreement, to be determined by binding arbitration.

### Base Rent Adjustments

In the eleventh year, monthly Maritime Base Rent will be based on a ten year CPI adjustment on \$22,000.00. The Restaurant Base Rent will be adjusted to fair market value by mutual agreement. If the Port and Tenant fail to agree on the adjusted Restaurant Base Rent, the matter will be determined by arbitration. This procedure will be used to adjust the Restaurant Base Rent

February 5, 1996

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every five years. In subsequent and intervening years, all Base Rents will be adjusted annually by CPI adjustment.

#### Opportunity Rent

In order to insure that the actual cash flow equals the then net present value of \$27,500 per month over a ten year period, at the end of the tenth lease year an "Opportunity Rent" will be payable by MRC which will be equal to the difference between the net present value of all rents actually received as compared to the net present value of \$27,500 per month, as if adjusted annually by the actual CPI increases during the first ten years plus any percentage rents that would have been payable given that assumed Base Rent.

#### Option Rent

In the option periods, the Base Rent will be the greater of 115% of the average Base Rents and Percentage Rents for the previous three years or the Port's minimum rent for as improved, similarly situated facilities per published Port schedule.

#### Percentage Rent

Percentage Rent will be payable at a rate of 7% of Gross Maritime Sales and boat sale brokerage fees versus the Maritime Base Rent. New and used boat sales will be excluded from the definition of Gross Maritime Sales. Percentage Rent for food sales will be payable at a rate of 7% for full service dining and 11% for casual dining versus the Restaurant Base Rent.

#### Percentage Rent Adjustment

The applicable percentages are subject to adjustment every five years and are to be determined at the Port's sole and reasonable discretion. The actual increase or decrease can be no more than one (1) percentage point per adjustment period per revenue type. In the eleventh year and for any option period, if the parties fail to agree on the rate, the Restaurant Percentage Rent shall be determined by arbitration.

#### Maintenance Obligations

The Port agrees to maintain the pier substructures and the structural portions of the roof and exterior walls and to maintain the roof and walls in a water tight condition. All other items of maintenance and repair are the sole obligation of MRC.

Should the Port determine not to undertake such maintenance and/or repairs, the Lease provides that the Tenant's sole remedy is to either assume the repairs and/or maintenance at its own expense subject to the receipt of rent credits for the cost of such undertakings, or terminate the Lease. The Port can void any such termination by making the needed repairs.

#### Facility Improvements

##### Required Tenant Expenditure

During the first 3 years of the Term, the Tenant must spend not less than \$300,000.00 for repairs that would otherwise be the obligation of the Port (e.g. roof, roof structure, pier substructure, exterior walls, apron substructure) and not less than \$200,000.00 for tenant improvements.

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Page 6

#### Other Tenant Investments

MRC anticipates investing an additional \$3.7 Million Dollars allocated as follows:

- \$1,050,000.00 for structural and other facility repairs;
- \$1,395,000.00 tenant improvements and office and commercial build out;
- \$1,255,000.00 in trade fixtures and equipment.

#### Rent Credits

##### Tenant Improvements

The tenant shall be entitled to rent credits for 50% of the cost to install or construct capitalizable tenant improvements (excluding furniture, fixtures and equipment) up to a maximum available rent credit of \$1,000,000.00 for tenant improvements and up to \$200,000.00 for hazardous materials remediation and abatement over the Term provided that the Port first approves such improvements or work.

##### Repairs Undertaken on Behalf of the Port

The Tenant shall be entitled to receive a dollar for dollar rent credit for the cost of undertaking repairs otherwise the obligation of the Port (e.g., roof, roof substructure, pier substructure, exterior walls, apron substructure, etc.) provided that the Port first approves such repairs.

##### Application of Rent Credits

In no event shall rent credits available for any one month be greater than one half of the Base Rent otherwise payable to the Port for that same month.

##### Assignment and Subletting

Subject to Port's reasonable approval of assignment or subletting, the Port will receive 50% of the sums received by the Tenant in excess of rent less subletting or assignment expenses.

##### Affirmative Action

An Affirmative Action Plan, as approved by the Port, for construction and hiring will be incorporated in the Lease. Thirty percent of all construction costs must inure to benefit MBE, WBE, and DBE contractors.

#### SUMMARY

The nature of the proposed use, a full service maritime recreation center and the anticipated improvements and repairs to the Pier 38 facility, together with enhanced public access to the waterfront, are consistent with the proposed Waterfront Land Use Plan and represent a significant benefit to the Port, City and County of San Francisco.

PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 96-20

- WHEREAS, Charter Section 3.581 grants to the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and
- WHEREAS, Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. (collectively "MRC") have proposed to develop a full service maritime recreation center at Pier 38; and
- WHEREAS, The proposed use of Pier 38 as a maritime recreation center is consistent with the uses permitted in the Draft Waterfront Land Use Plan previously approved by the Port Commission;
- WHEREAS, Staff has negotiated all of the terms and conditions of a proposed lease with MRC; and
- WHEREAS, On December 21, 1995, the Department of City Planning issued for public review and comment a Preliminary Negative Declaration, Case No. 95-546E for the proposed Pier 38 Maritime Recreation Center and on February 2, 1996 the Negative Declaration was finalized; and
- WHEREAS, The Port Commission has determined that given the unique nature of the use, and for the reasons set forth in the Memorandum to the Port Commission for Agenda Item 5C for the Port Commission meeting on February 13, 1996, a request for proposals for a Lease would prove both impractical and infeasible; now therefore, be it
- RESOLVED, That this Port Commission has considered and reviewed the Final Negative Declaration and hereby adopts said Final Negative Declaration and hereby finds that the Pier 38 Maritime Recreation Center described therein will have no significant impact on the environment, and adopts and incorporates herein by reference thereto, the findings of the Final Negative Declaration. Case No. 95-546E, issued by the Department of City Planning, a copy of which is on file with the Secretary of the Port Commission; and be it further

RESOLVED, That the San Francisco Port Commission hereby approves entering into Lease No. L-12120 with Carl Ernst Jr. and Pier 38 Maritime Recreation Center, Inc. substantially on the terms and conditions outlined in the Memorandum to the Port Commission for Agenda Item 5C for the Port Commission meeting on February 13, 1996 and as more fully contained in said lease; and further, be it

RESOLVED, that the Executive Director is hereby directed to forward Lease No. L-12120 to the Board of Supervisors of the City and County of San Francisco for approval by ordinance pursuant to City Charter Section 7.402-1.

*I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 13, 1996.*

Amelia L. Hernandez  
Secretary

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Item 12 - File 97-96-7

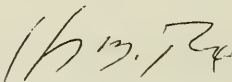
**Department:** Real Estate  
Mayor's Office

**Item:** Ordinance amending Chapter 23, Article III, of the San Francisco Administrative Code by amending Section 23.20 relating to the execution of leases entered into by the City and County of San Francisco as lessee, to allow the Mayor's Director of Finance, as well as the Mayor to execute these leases.

**Description:** The current provisions of the San Francisco Administrative Code provide that all leases that are entered into by the City and County of San Francisco as lessee must be executed by the Mayor and the Clerk of the Board of Supervisors. The proposed ordinance would allow either the Mayor's Director of Finance, who would serve as the Mayor's designee, or the Mayor, to execute leases on behalf of the City.

**Comment:** According to Mr. Anthony DeLucchi of the Real Estate Department, the Mayor's Office is requesting that when the City is its lessee, the Mayor's Director of Finance, in addition to the Mayor, be authorized to execute such leases on behalf of the Mayor's Office because of the volume of leases that must be signed.

**Recommendation:** Approve the proposed ordinance.

  
Harvey M. Rose

cc: Supervisor Ammiano	Sam Yockey
Supervisor Teng	Paul Horcher
Supervisor Yaki	Ted Lakey
President Shelley	
Supervisor Kaufman	
Supervisor Migden	
Supervisor Alioto	
Supervisor Bierman	
Supervisor Hsieh	
Supervisor Kennedy	
Supervisor Leal	
Clerk of the Board	
Chief Administrative Officer	
Controller	



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CALENDAR... Action Taken

REGULAR MEETING  
GOVERNMENT EFFICIENCY AND LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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TUESDAY, FEBRUARY 27, 1996 - 1:00 P.M.

Veterans Building  
401 Van Ness Ave., Room 410

PRESENT: Supervisors Tom Ammiano, Mabel Teng, Michael Yaki

CLERK: Gail Johnson

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item.

- (a) File 94-96-1. [Sunol Water Temple Restoration] Resolution authorizing the Public Utilities Commission General Manager to apply for, accept and expend \$820,000 from the Intermodal Surface Transportation Efficiency Act (ISTEA) under the California Department of Transportation enhancement activities program for the historic restoration of the Sunol Water Temple site. (Public Utilities Commission)

ACTION: Hearing held. Consideration continued to March 14, 1996, rescheduled meeting (at the request of Supervisor Leal).

- (b) File 133-96-2. [Grant - State, Household Hazardous Waste] Resolution authorizing the Chief Administrative Officer (CAO) of the City and County of San Francisco to accept and expend \$86,289 in discretionary grant funding from the California Integrated Waste Management Board (CIWMB); waiving indirect costs. (Chief Administrative Officer)

ACTION: Hearing held. Amended. (See file for details.) Recommended as amended. New title: "Authorizing the Chief Administrative Officer (CAO) of the City and County of San Francisco to accept and expend \$86,289 in discretionary grant funding from the California Integrated Waste Management Board (CIWMB); waiving indirect costs; placing \$71,250 on reserve."

- (c) File 213-96-1. [Federal Grant, Mission Street Transit Project] Resolution authorizing the Public Transportation Commission to apply for, accept and expend up to \$1,250,000 (including local match) of Federal Transit Administration Capital Assistance Section 3 funds to carry out Livable Urban Streets-Mission Street Transit Demonstration Project Activities. (Supervisor Leal)

**ACTION:** Hearing held. Amendment of the Whole prepared in Committee. Recommended as amended. New title: "Authorizing the Public Transportation Commission to apply for, retroactively, accept and expend up to \$1,250,000 (including local match) of Federal Transit Administration Capital Assistance Section 3 funds to carry out Livable Urban Streets-Mission Street Transit Demonstration Project Activities; waiving indirect costs; placing \$1,250,000 on reserve."

- (d) File 213-96-2. [Federal Grant, Municipal Railway Projects] Resolution authorizing the Public Transportation Commission to apply for, accept, and expend \$2,161,536 of Federal Enhancement Program Assistance and \$285,047 from various local match sources such as State Transit Capital Improvement Funds, State Clean Air and Transportation Improvement Act Bond Funds, and various regional local match funds such as State Transit Assistance Funds, Transportation Development Act Funds, Bridge Toll Net Revenues, Gas Tax Revenue, Transit Impact Development Fees, San Francisco Municipal Railway Improvement Corporation Funds, the San Francisco County Sales Taxes, and/or Hetch Hetchy Funds for the three Municipal Railway projects listed herein, including \$58,316 of indirect costs. (Public Transportation Commission)

**ACTION:** Hearing held. Amended. (See file for details.) Recommended as amended. New title: "Authorizing the Public Transportation Commission to apply for, accept, and expend \$2,161,536 of Federal Enhancement Program Assistance and \$285,047 from various local match sources such as State Transit Capital Improvement Funds, State Clean Air and Transportation Improvement Act Bond Funds, and various regional local match funds such as State Transit Assistance Funds, Transportation Development Act Funds, Bridge Toll Net Revenues, Gas Tax Revenue, Transit Impact Development Fees, San Francisco Municipal Railway Improvement Corporation Funds, the San Francisco County Sales Taxes, and/or Hetch Hetchy Funds for the three Municipal Railway projects listed herein, including \$58,316 of indirect costs; placing \$2,324,254 on reserve."

- (e) File 230-96-1. [Grant - Federal Funds] Resolution authorizing the Human Rights Commission to apply for, accept and expend retroactively a grant of \$151,891 from the United States Department of Housing and Urban Development to provide for a fair housing education and outreach program. (Supervisors Shelley, Alioto)

**ACTION:** Hearing held. Amended. (See file for details.) Recommended as amended. New title: "Authorizing the Human Rights Commission to apply for, accept and expend retroactively a grant of \$151,891 from the United States Department of Housing and Urban Development to provide for a fair housing education and outreach program; placing \$69,280 on reserve."

REGULAR CALENDAR

2. File 25-96-1. [Prop J Contract, Janitorial Services] Resolution concurring with the Controller's certification that janitorial services for the Port of San Francisco can be practically performed by a private contractor at lower cost than by City and County employees. (Port of San Francisco)  
(Consideration continued from 2/13/96)

ACTION: Consideration continued to the Call of the Chair (at the request of sponsor).

3. File 172-96-2. [Stadium Naming Rights Agreement] Resolution approving a stadium naming rights agreement with the San Francisco 49ers ("3COM Park") for the period from February 1, 1996 through January 31, 2000. (Recreation and Park Department)  
(Consideration continued from 2/13/96)

ACTION: Hearing held. Recommended. (Supervisors Ammiano, Teng and Yaki added as co-sponsors.)

4. File 93-96-1. [MOU, Arbitrator's Award, Local 21] Ordinance adopting and implementing the provisions of an arbitrator's award interpreting the provisions of the Memorandum of Understanding regarding the compensation of 5273 Principal Architect; 5270 Senior Architect, 5268 Architect; 5266 Architectural Associate II, 5265 Architectural Associate I and 5274 Landscape Architect, between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO and the City and County of San Francisco, to be effective retroactive to July 1, 1993 through June 30, 1997. (Department of Human Resources)  
(Consideration continued from 2/13/96)

ACTION: Hearing held. Consideration continued to March 14, 1996, rescheduled meeting.

Note: It is the intention of the Chair to entertain a motion to continue consideration of the following item (File 222-95-1) to the Call of the Chair:

5. File 222-95-1. [Amendment, Civil Service Rule 19] Ordinance adopting and implementing an amendment to Civil Service Rule 19 requiring open public meetings of the Transport Workers Union, San Francisco Municipal Railway Trust Fund. (Civil Service Commission)  
(Consideration continued from 2/13/96)

ACTION: Consideration continued to the Call of the Chair.

6. File 215-96-2. [Summer Youth Jobs Program Funding] Hearing to consider what steps San Francisco is taking concerning projected elimination or severe reduction of federal funding for the Summer Youth Jobs Program. (Supervisor Yaki)

ACTION: Hearing held. Filed.



7. File 222-96-1. [Discrimination, Disabled in Employment] Ordinance adopting and implementing the policy of the San Francisco Civil Service Commission regarding non-discrimination against qualified individuals with disabilities in accordance with state and federal law. (Supervisor Kaufman)

ACTION: Consideration continued to the Call of the Chair (at the request of sponsor).

8. File 102-95-15. [Exempt Rank, Assistant Police Chief] Resolution approving the exempt rank and position of Assistant Chief of the San Francisco Police Department pursuant to Charter Section 3.530. (Police Commission)

ACTION: Hearing held. Recommended.

9. File 23-96-1. [Waiving Statute of Limitations] Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco, in the amount of \$2,690.78 a legal obligation of the City and County of San Francisco. (Payees: Alison Matsunaga, \$1,587.54; George Elkin, \$1,103.24) (Controller)

ACTION: Hearing held. Recommended.

10. File 65-96-2. [Final Neg Dec, Pier 38 Maritime Recreation Center] Resolution adopting Final Negative Declaration, finding and determining that the proposed Pier 38 Maritime Recreation Center (on the Embarcadero between Brannan and Townsend Streets) will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration; companion measure to File 65-96-2.1. (Final Negative Declaration issued on 2/2/95, as amended.) (Port Commission)

ACTION: Consideration continued to March 14, 1996, rescheduled meeting.

11. File 65-96-2.1. [Lease Agreement, Pier 38 Maritime Recreation Ctr.] Ordinance approving Lease Agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City and County of San Francisco operating by and through the San Francisco Port Commission for a Maritime Recreation Center at Pier 38 (on the Embarcadero between Townsend and Brannan Streets); companion measure to File 65-96-2. (Port Commission)

ACTION: Consideration continued to March 14, 1996, rescheduled meeting.

12. File 97-96-7. [Execution of Leases, Mayor's Office] Ordinance amending Administrative Code by amending Section 23.20, relating to execution of leases entered into by the City and County of San Francisco as lessee, to allow the Mayor's Director of Finance, as well as the Mayor to execute these leases. (Real Estate Department)

ACTION: Hearing held. Recommended.



SPECIAL ORDER - 2:00 P.M.

13. File 176-96-1. [Garment Industry] Hearing to consider the status of the garment industry in San Francisco. (Supervisor Teng)

ACTION: Hearing held. Filed.

LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

14. File 45-96-8. [Julia Bontempi v. CCSF] Ordinance authorizing settlement of litigation of Julia Bontempi against the City and County of San Francisco by payment of \$9,000. (Superior Court No. 967-530.) (City Attorney)

ACTION: Recommended.

15. File 45-96-9. [Kevin B. Williams v. CCSF] Ordinance authorizing settlement of litigation of Kevin B. Williams against the City and County of San Francisco, Gerald Costanzo, John J. Walsh, Herman Alcade, Terry Jourgenson, Peter Jamero and Edwin Lee by payment of \$65,000. (U.S.C.A. No. 93-16090 and California Court of Appeals No. AO70423.) (City Attorney)

ACTION: Recommended.

16. File 45-96-10. [Riva Mintz v. CCSF] Ordinance authorizing settlement of litigation of Riva Mintz against the City and County of San Francisco by payment of \$25,000. (Superior Court No. 956-066.) (City Attorney)

ACTION: Recommended.

17. File 45-96-11. [Phillip Gonzales/Rosalyn Gonzales v. CCSF] Ordinance authorizing settlement of litigation of Phillip Gonzales and Rosalyn Gonzales against the City and County of San Francisco by payment of \$35,000. (San Bernardino Superior Court Nos. SC04291 and 11637.) (City Attorney)

ACTION: Amendment of the Whole bearing same title adopted. Recommended as amended.

18. File 45-96-12. [Progressive Insurance Co. v. CCSF] Ordinance authorizing settlement of litigation of Progressive Insurance Company against the City and County of San Francisco by payment of \$8,000. (S.F. Municipal Court No. 117744.) (City Attorney)

ACTION: Recommended.

19. File 45-96-13. [Troy J. Scalise v. CCSF] Ordinance authorizing settlement of litigation of Troy J. Scalise against the City and County of San Francisco by payment of \$20,000. (Superior Court No. 950-383.) (City Attorney)

ACTION: Recommended.

20. File 45-96-14. [Wright v. Contreras] Ordinance authorizing settlement of litigation of Willie Wright v. Fernando Jose Contreras, et al. by payment of \$15,000. (Superior Court No. 953-700.) (City Attorney)

ACTION: Recommended.

21. File 48-96-8. [Settlement of Claim, Claude and Valarie Cooper] Resolution approving the settlement of the unlitigated claim of Claude and Valarie Cooper by payment of \$8,750. (City Attorney)

ACTION: Recommended.

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

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MINUTES

JOINT BUDGET/GOVERNMENT EFFICIENCY AND LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

3/6/96

JOINT MEETING

WEDNESDAY, MARCH 6, 1996 - 2:00 PM

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, TOM AMMIANO, BARBARA KAUFMAN,  
MABEL TENG, SUE BIERMAN, MICHAEL YAKI

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT.

TIME MEETING CONVENED: 2:12 P.M.

AUG 27 1996

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1. File 165-96-1.2. [China Basin Ball Park Benefits and Costs] Hearing to consider the benefits and costs of the proposed China Basin ballpark. (Supervisors Hsieh, Ammiano)

SPEAKERS: ELECTED OFFICIAL: Honorable Willie L. Brown, Jr., Mayor, San Francisco. DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst; Jose Luis Moskowitz, Director of Congestion Management, Transportation Authority. GIANTS REPRESENTATIVE: Larry Baer, Executive Vice President; Larry Chew, Community Liaison. IN SUPPORT: Ernestine Weiss; Denise LaPointe, representing Senator Quentin Kopp; John Debenedeti; John Moylan; August Longo; Franklin Democratic Club; Milan Sikela; Anne Heinline, Commission on Physical Education; Anita Theoharis; Ann Williams, Dynamic Development Assoc.; Michelle Herrera, Giants Usher; Daniel Perez; Gary Moody; Rene De La Rosa; Steven Grurer; Deborah Houston; Richard Rodriguez; Tom Nolan, American Irish Alliance; Kevin Wong, Giants Parking; Tony Tsougarakis; David Herring; George Jackson; Gina Guidi, High School Student; Christie Kennedy; High School Student; Steven Spickard; Richard Warfel; Louis Spadia; Mariann Costello; Roland Medel; Frank Hapin; Brian David. OPPOSED: Louise Bird; Jeffrey Leibovitz; Joel Ventresca, Environmental Commission; Joe Bloss; Tomisetta Medall; David Miller; Kevin Williams, Friends of Candlestick Point; Jim Firth, San Franciscans for Planning Priorities; Sheryl Saper; Sara Ames; Peter Bouton; . NO POSITION: Ena Aguirre; Babette Drefke; Brad Benson, League of Conservation Voters.

ACTION: HEARING HELD. FILED.

VOTE: 4-2. (Supervisors Kaufman and Yaki absent.)

TIME MEETING ADJOURNED: 4:37 P.M.



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" BOARD of SUPERVISORS

12/96

Scheduled  
to 3/14/96



401 Van Ness Avenue, Room 308  
San Francisco 94102-4532  
554-5184

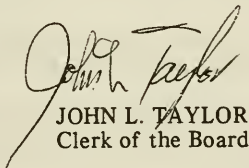
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NOTICE OF RESCHEDULED MEETING  
GOVERNMENT EFFICIENCY AND LABOR COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Government Efficiency and Labor Committee for Tuesday, March 12, 1996, at 1:00 p.m., has been rescheduled to Thursday, March 14, 1996, at 1:00 p.m., in Room 410, Veterans Building, 401 Van Ness Avenue, San Francisco, California.

  
JOHN L. TAYLOR  
Clerk of the Board

POSTED: MARCH 5, 1996





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3/14/96

# CALENDAR

## GOVERNMENT EFFICIENCY & LABOR COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

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### RESCHEDULED MEETING

THURSDAY, MARCH 14, 1996 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 410

MEMBERS: Supervisors Tom Ammiano, Mabel Teng, Michael Yaki

CLERK: Mary Red

\* \* \* \* \*

### Disability Access

Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F Line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:  
For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item.
  - (a) File 38-96-5. [Gift Acceptance, Police Department] Resolution authorizing the Chief of Police to accept, on behalf of the San Francisco Police Department, a redistribution gift of four (4) utility vehicles from the U.S. Department of Defense. (Police Commission)
  - (b) File 133-96-3. [Local Government Commission/CIWMB Receipt] Resolution authorizing the Chief Administrative Officer (CAO) of the City and County of San Francisco to accept and expend \$7,500 from the Local Government Commission/California Integrated Waste Management Board. (Chief Administrative Officer)
  - (c) File 146-96-5. [State Grant, Immunization Information System] Resolution authorizing the Department of Public Health, Community Public Health Services to accept and expend a grant of \$180,000 from the State Department of Health Services to develop an immunization information system; waiving indirect costs. (Supervisors Leal, Shelley, Alioto)
  - (d) File 146-96-6. [Grant, Centralized Substance Abuse Treatment] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to accept and expend an augmentation to a grant up to the amount of \$1,262,373 which excludes indirect costs from the United States Department of Health and Human Services, Center for Substance Abuse Treatment through the State of California, Department of Alcohol and Drug Programs to provide centralized substance abuse treatment enhancement and placement services in San Francisco as part of the "San Francisco Target Cities Project"; waiving indirect costs and providing for action previously taken. (Also see File 146-93-58.) (Supervisors Leal, Alioto)

ACTION:

REGULAR CALENDAR

2. File 94-96-1. [Sunol Water Temple Restoration] Resolution authorizing the Public Utilities Commission General Manager to apply for, accept and expend \$820,000 from the Intermodal Surface Transportation Efficiency Act (ISTEA) under the California Department of Transportation enhancement activities program for the historic restoration of the Sunol Water Temple site. (Public Utilities Commission)  
(Consideration continued from 2/27/96)

ACTION:

3. File 65-96-2. [Final Neg Dec, Pier 38 Maritime Recreation Center] Resolution adopting Final Negative Declaration, finding and determining that the proposed Pier 38 Maritime Recreation Center (on the Embarcadero between Brannan and Townsend Streets) will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration; companion measure to File 65-96-2.1. (Port Commission)  
(Consideration continued from 2/27/96)

Final Negative Declaration issued on 2/2/95, as amended.

ACTION:

4. File 65-96-2.1. [Lease Agreement, Pier 38 Maritime Recreation Ctr.] Ordinance approving Lease Agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City and County of San Francisco operating by and through the San Francisco Port Commission for a Maritime Recreation Center at Pier 38 (on the Embarcadero between Townsend and Brannan Streets); companion measure to File 65-96-2. (Port Commission)  
(Consideration continued from 2/27/96)

ACTION:

5. File 93-96-1. [MOU, Arbitrator's Award, Local 21] Ordinance adopting and implementing the provisions of an arbitrator's award interpreting the provisions of the Memorandum of Understanding regarding the compensation of 5273 Principal Architect; 5270 Senior Architect, 5268 Architect; 5266 Architectural Associate II; 5265 Architectural Associate I and 5274 Landscape Architect, between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO and the City and County of San Francisco, to be effective retroactive to July 1, 1993 through June 30, 1997. (Department of Human Resources)  
(Consideration continued from 2/27/96)

ACTION:

6. File 25-96-2. [Prop J Contract, Janitorial Services] Resolution concurring with the Controller's certification that janitorial services can be practically performed at the office of the Controller at 160 South Van Ness Avenue by private contractor for lower cost than similar work services performed by City and County employees. (Controller)

ACTION:

7. File 47-95-13.1. [Management Agreement, Lombard Street Garage] Resolution confirming award of the Management Agreement to Pacific Park Management, for the operation of the Lombard Street Garage. (Real Estate Department)

ACTION:

8. File 97-96-9. [Health Service Plans & Rates of Contribution] Ordinance amending Administrative Code Section 16.157, approving Health Service System Plans and Rates of Contribution as adopted by the Health Service Board. (Department of Human Resources)

ACTION:

SPECIAL ORDER – 2:00 P.M.

9. File 186-96-1. Hearing to consider the operations, management, and activities of the Office of the Medical Examiner/Coroner. (Supervisor Ammiano)

ACTION:

LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

10. File 45-96-15. [Pan Marine Constructors, Inc. v. CCSF, et al.] Ordinance authorizing settlement of litigation of Pan Marine Constructors, Inc. against the City and County of San Francisco by payment of \$26,293.30. (Superior Court No. 961-083.) (City Attorney)

ACTION:

11. File 45-96-16. [Michael Lavella v. CCSF] Ordinance authorizing settlement of litigation of Michael Lavella against the City and County of San Francisco by payment of \$25,000. (Also see File 46-96-1.) (Superior Court No. 955-039.) (City Attorney)

ACTION:

12. File 48-96-9. [Settlement of Claim, Oleg G. Shakhnazarov] Resolution approving the settlement of the unlitigated claim of Oleg G. Shakhnazarov by payment of \$9,500.00. (City Attorney)

ACTION:

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 308  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

Bill Lynch  
Documents Section  
Public Library-Main Branch  
Civic Center

(41)



CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

March 8, 1996

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MAR 12 1996

SAN FRANCISCO  
PUBLIC LIBRARY**TO:** Government Efficiency and Labor Committee**FROM:** Budget Analyst *Recommendations for meeting of***SUBJECT:** March 14, 1996 Rescheduled Government Efficiency and Labor Committee MeetingItem 1a - File 38-96-5**Department:** San Francisco Police Department (SFPD)**Item:** Resolution authorizing the Chief of Police, on behalf of the Police Department, to accept a gift of four utility vehicles from the US Department of Defense.

**Description:** Section 10.116 of the Administrative Code requires approval by the Board of Supervisors for the acceptance of gifts to the City and County of San Francisco with a value greater than \$5,000. The United States Department of Defense has offered to donate four utility vehicles to the City, for use by the Police Department, each of which is valued at approximately \$7,500, for a total gift value of \$30,000. The proposed resolution would authorize the Chief of Police, on behalf of the Police Department, to accept this gift of four utility vehicles from the US Department of Defense. A utility vehicle is defined as a vehicle designed for off-road or heavy-duty use, such as hauling trailers.

The gift consists of the following four vehicles:

- One 1984 Chevrolet 5/4 ton, 8-cylinder, Diesel fuel Pickup Truck, 19,440 miles;

Memo to Government Efficiency and Labor Committee  
March 14, 1996 Government Efficiency and Labor Committee Meeting

- One 1984 Chevrolet 5/4 ton, 8-cylinder, Diesel fuel Pickup Truck, 7,444 miles;
- One 1984 Chevrolet 3/4 ton, 8-cylinder, Diesel fuel Pickup Truck, 15,682 miles; and
- One 1984 Chevrolet 3/4 ton, 8-cylinder, Diesel fuel Pickup Truck, 26,584 miles

According to Lieutenant Alex Fagan of the Police Department's Fiscal Division, these four utility vehicles would be used in emergency situations, such as natural disasters, and, in some instances, for narcotics enforcement.

**Comments:**

1. According to Lieutenant Fagan, the operation of the four utility vehicles described above would result in a minimal fiscal impact to the City since the vehicles are currently in good condition and only need to be painted. Lieutenant Fagan advises that the cost of painting the vehicles and the on-going costs of operating the vehicles, including gasoline, repair and maintenance costs, would be absorbed by existing funds in the Police Department's annual budget.

2. The Board of Supervisors previously approved a resolution authorizing the Police Department to accept a gift of 12 utility vehicles from the US Department of Defense in January of 1996. According to Lieutenant Fagan, the operating and maintenance costs of all 16 vehicles donated by the Department of Defense can be absorbed with existing funds in the Police Department's annual budget because the 16 vehicles will be used much less frequently than the Police Department's regular vehicle fleet, and therefore will represent a relatively minimal additional cost to the City.

**Recommendation:** Approve the proposed resolution.



Item 1b - File 133-96-3

**Department:** Chief Administrative Officer (CAO)

**Item:** Resolution authorizing the Chief Administrative Officer (CAO) of the City and County of San Francisco to accept and expend \$7,500 from the Local Government Commission/California Integrated Waste Management Board.

**Grant Amount:** \$7,500

**Grant Period:** March 1, 1996 through April 1, 1996 (One Month)

**Source of Funds:** Local Government Commission/California Integrated Waste Management Board

**Project:** Waste Prevention Education Project

**Description:** The proposed resolution would authorize the CAO to accept and expend \$7,500 in grant funds from the Local Government Commission/California Integrated Waste Management Board to fund the Waste Prevention Education Project, which is a project of the Solid Waste Management Program. The proposed grant funds would be used for the design and language translation of waste prevention education materials, including an environmental shopping guide and a workbook on waste prevention.

The project consists of two components: 1) updating and translating the Solid Waste Management Program's environmental shopping guide to waste prevention and recycling and 2) translating and printing a workbook used in workshops supported by the Solid Waste Management Program.

The environmental shopping guide would be published in three languages, including English, Spanish, and Chinese, and would be distributed to San Francisco residents. This consumer guide offers environmental shopping practices that focus on waste prevention. The guide would be distributed at street fair booths, schools, retail outlets, neighborhood groups, and by the Solid Waste Management Program upon request of citizens.

The second component of the proposed project would consist of translating and printing a workbook used in workshops offered by the Solid Waste Management Program. The Solid Waste Management Program has awarded a grant to

Sustainable City, which is a nonprofit organization located in San Francisco, to conduct waste prevention workshops. The proposed grant funds would be used specifically for translating the workbook into Chinese and reprinting the workbook.

**Budget:** The budget details for the proposed Environmental Shopping Guide and the Workbook are as follows:

**Contractual Services**

**Environmental Shopping Guide**

<u>Item</u>	<u>Cost</u>	
Design and Color Development (30 hours @ \$50./hr.)	\$1,500	
Production and Layout (62.5 hours @ \$40./hr.)	2,500	
Translation into Spanish and Chinese (25 hours @ \$40./hr.)	<u>1,000</u>	
Subtotal		\$5,000

**Workbook**

<u>Item</u>	<u>Cost</u>	
Design and Color Development (12.5 hours @ \$40./hr.)	\$500	
Production and Layout (10 hours @ \$50./hr.)	500	
Translation into Spanish and Chinese (25 hours @ \$40./hr.)	1,000	
Printing	<u>500</u>	
Subtotal		<u>2,500</u>
<b>Total</b>		<b>\$7,500</b>

**Required Match:** None.

**Indirect Costs:** None. The Grantor does not allow for the provision of indirect costs.

**Comments:** 1. Mr. David Assmann of the CAO's Office reports that the consultant hired to design the Environmental Shopping Guide, Monroy & Cover Design, which is a MBE/LBE firm, and the consultant hired to design the Workbook, Katherine Loh Graphic Design, which is a MBE/WBE/LBE firm, have ongoing, as-needed contracts with the CAO's Office to provide these services. Both of these consultants were selected through a Request for Proposal (RFP) process, according to Mr. Assmann. ;

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. Mr. Assmann advises that the CAO received telephonic notification of the available grant funds from the Local Government Commission/California Integrated Waste Management Board and a follow-up letter. According to Mr. Assmann, the Local Government Commission/California Integrated Waste Management Board did not require a formal application process. Therefore, the CAO did not request prior approval from the Board of Supervisors to apply for the proposed grant funds.

3. Mr. Assmann advises that the CAO's Office has neither accepted or expended any of the proposed grant funds, and that the proposed project will begin pending the approval from the Board of Supervisors.

4. Attached is a Summary of Grant Request form, as prepared by the CAO's Office, for the proposed grant funds.

**Recommendation:** Approve the proposed resolution.

## - Summary of Grant Request

Rev. 4/10/90

Attachment

Item No.

Grantor Waste Prevention Education Program  
 Contact Person Andrew Murray  
 Address 1414 K Street, #250  
Sacramento, CA 95814  
 Amount Requested \$7,500.00  
 Term: From 2/15/96 To 3/30/96  
 Health Commission \_\_\_\_\_ Board of Supervisors \_\_\_\_\_ Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

Division Solid Waste Management Program  
 Section San Francisco Recycling Program  
 Contact Person David Assmann  
 Telephone 554-3409  
 Application Deadline 2/7/96  
 Notification Expected Already notified

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 7,500.00 from the period of 2/15/96 to 3/30/96 to provide educational outreach services.

II. Summary: (Check all that apply; check additional number if grant covers multiple and separate items)

This grant will help the San Francisco Recycling Program translate, design and produce multilingual waste prevention outreach materials that will be used to educate thousands of San Francisco Residents about the importance of reducing waste.

III. Outcomes/Objectives:

- Update, translate, design, and produce an Environmental Shopping Guide.
- Translate an existing Sustainable City Workbook into Chinese for a series of waste prevention workshops to be conducted in Chinese.

IV. Effects of Reduction or Termination of These Funds:

Funds are required to conduct effective multilingual outreach.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			<u>\$7,500.00</u>			
Personnel						
Equipment						
*Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

VI. Data Processing

(Leave blank unless checked)

VII. Personnel

F/T CSC

P/T CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

\*VIII. Contractual Services: Open Bid YES Sole Source \_\_\_\_\_ (If sole source, attach Request for Quotation Form)

Item 1c - File 146-96-5

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing the Department of Public Health, Community Public Health Services to accept and expend a grant of \$180,000 from the State Department of Health Services to develop an Immunization Information Reminder System; waiving indirect costs.

**Grant Amount:** \$180,000

**Grant Period:** Retroactive from January 1, 1996 through June 30, 1997 (18 months)

**Source of Funds:** State Department of Health Services

**Project:** Immunization Information Reminder System (IIRS)

**Description:** In October of 1995, the Board of Supervisors approved legislation authorizing the DPH to apply for the proposed grant funds (File 146-95-16). The proposed resolution would authorize the DPH to accept and expend a grant of \$180,000 from the California Department of Health Services to provide for the development of the Immunization Information Reminder System (IIRS) for the residents of San Francisco.

The IIRS project would involve the development of an immunization registry that would enable health care providers to access immunization histories in order to administer needed immunizations and send reminder notices to patients who have not had all the necessary immunizations. The proposed grant funds would be used to conduct an immunization information pilot program over an 18-month period at seven district health centers, as well as two facilities located at San Francisco General Hospital, for a total of nine facilities. All nine of these facilities are operated by the DPH. The initial target group for the IIRS Project will be children less than five years of age cared for at District Health Center Nos. 1, 2, 3, 4, 5, the Potrero Hill Health Center, the Southeast Health Center, the SFGH Pediatric Clinic, and the SFGH Family Health Center. The ultimate target group will be all residents of San Francisco.



Memo to Government Efficiency and Labor Committee  
 March 14, 1996 Government Efficiency and Labor Committee Meeting

**Budget:** The following budget is for the 18 month period retroactive from January 1, 1996 through June 30, 1997:

<u>Permanent Personnel</u>		<u>FTE</u>		
Project Coordinator	0.46		\$38,343	
MIS Technician II	<u>1.00</u>		<u>24,717</u>	
Subtotal	1.46			\$63,060
Fringe Benefits			<u>21,335</u>	
Total Permanent Personnel				\$84,395
<u>Temporary Personnel</u>				
Public Service Aide (280 hrs. @ \$12.04 per hour)			3,371	
MIS Technician II (as needed basis) ( approx. 348 hrs. @ \$11.83 per hour)			<u>4,119</u>	
Subtotal				7,490
Fringe Benefits				<u>585</u>
Total Temporary Personnel				\$8,075
<u>Computers</u>				
Desktop Computers (15 @ \$2,800 and 1 @ \$3,526)			\$45,526	
Laptop Computer (1)			5,968	
Bar Code Scanners (19 @ \$1,369)			26,011	
Label Design Software (11 @ \$335)			<u>3,685</u>	
Total Computers				81,190
<u>Telecommunications/Mail</u>				
Telephones			\$240	
Postage			<u>750</u>	
Total Telecommunications/Mail				990
<u>Supplies</u>				
Office Supplies			\$968	
Copying			<u>350</u>	
Total Supplies				1,318
<u>Travel (see Comment No. 1)</u>				
Department of Health Services				
One Registry Meeting			\$400	
Two National Immunization Meetings			3,112	
Local Travel by Staff			<u>520</u>	
Total Travel				<u>4,032</u>
TOTAL GRANT BUDGET				<u>\$180,000</u>

**Required Match:** None

**Indirect Costs:** None - Grantor does not allow for the provision of indirect costs.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. Ms. Diane Portnoy of the DPH advises that the travel expenses will be incurred as follows: (1) \$400 will be used to pay for the transportation, lodging and meals for the Project Coordinator to attend a mandatory State Registry Meeting, which is a meeting for all participating counties to discuss the development of their own Immunization Information Reminder Systems; (2) \$3,112 for two staff members to attend two National Immunization Conferences in Washington D.C. for up to four days each, including approximately \$2,000 for four airline tickets, approximately \$600 for lodging, and \$512 for meals, and (3) \$520 for local travel between sites.
2. Attached is a Summary of Grant Request, as prepared by the DPH, for the proposed grant funds.
3. The DPH has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board.
4. Ms. Portnoy advises that both the permanent and temporary personnel positions described above will terminate when the grant funds expire, unless additional grant funds are obtained.
5. Ms. Portnoy advises that the Department has already accepted and expended funds against the proposed grant. Therefore, the resolution should be amended to authorize the Department to accept and expend the proposed grant funds retroactively.
6. Ms. Debra Vincent-James of the Electronic Information Processing Steering Committee (EIPSC) advises that the Department has received approval for the purchase of the proposed computer equipment.
7. Ms. Portnoy advises that out of the 17 computers requested, 1 laptop computer and 1 desktop computer are to be used by program staff, while the remaining 15 computers are to be divided among the nine project facilities.

- Recommendations:**
1. Amend the proposed resolution to authorize the DPH to retroactively accept and expend the proposed grant funds.
  2. Approve the proposed resolution as amended.

California Department of  
 Grantor: Health Services  
 Contact Person: Loring Dales, M.D.  
 Address: 2151 Berkeley Way, Rm 712  
Berkeley, CA 94704  
 Amount Requested: \$ 180,000  
 Term: From 1/1/96 To 6/30/97

Division: S  
 Section: Bureau of Epidemiology, Disease Control  
 Contact Person: Frances Taylor, MD, MPH and AIDS  
 Telephone: (415) 554-2833  
 Application Deadline: 9/15/95  
 Notification Expected: 12/26/95

I. Item Description: Request to ~~(apply for)~~ (accept and expend) a (new) ~~(continuation)~~ ~~(enhancement)~~  
 (Circle or Underline) (augmentation to a) grant in the amount of \$ 180,000 from the period of  
1/1/96 to 6/30/97 to provide for the  
development of an immunization information and reminder services  
system.

II. Summary: (Purpose; Funding Year; Target Groups; Services; Providers)  
The purpose of this program is to enable health care providers to access immunization  
histories so that they can deliver needed immunizations. A pilot program will be  
developed at the SFDPH health centers and SFGH. If funding continues, the system will  
be adapted for use throughout San Francisco. The initial target group is all children  
less than 5 years of age cared for at the pilot sites. The ultimate target group is  
all residents of San Francisco.

III. Outcomes/Objectives:  
To improve immunization rates in San Francisco; to improve the ability of the  
SFDPH to assess immunization rates and design additional measures to improve them;  
to assist the SFDPH in providing timely immunization to client children.

IV. Effects of Reduction or Termination of These Funds:

N/A

#### V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved By
	Two Years Ago	Past Yr./Orig.	Proposed	Change		
Grant Amount			180,000			
Personnel			92,470			
Equipment			77,505			
*Contract Svc.			N/A			
Mat. & Supp.			5,993			
Facilities/Space			N/A			
Other Travel			4,032			
Indirect Costs			N/A			

#### VI. Data Processing

(costs included above)

#### VII. Personnel

F/T Civil Service			1.0			
P/T Civil Service			0.6			
Contractual			N/A			

Source(s) of non-grant funding for salaries of Civil Service employees working part-time on this grant:  
General Fund

Will grant funded employees be retained after this grant terminates? If so, How?  
No

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ \*Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)

Item 1d - File 146-96-6

**Department:** Department of Public Health (DPH)  
Community Substance Abuse Services (CSAS)

**Item:** Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services to accept and expend an augmentation grant of up to \$1,262,373 which excludes indirect costs from the United States Department of Health and Human Services, Center for Substance Abuse Treatment through the State of California, Department of Alcohol and Drug Programs; providing for action previously taken.

**Grant Amount:** Up to \$1,262,373

**Grant Period:** Retroactive from January 1, 1996 through September 30, 1996

**Source of Funds:** Federal Department of Health and Human Services, Center for Substance Abuse Treatment (CSAT) through the State of California, Department of Alcohol and Drug Programs

**Project:** Federal Target Cities Project

**Description:** The Community Substance Abuse Services (CSAS) Target Cities Project is a project designed to develop an effective and comprehensive substance abuse service system in San Francisco by creating a centralized substance abuse treatment site (Central Intake Unit), as well as a Criminal Justice Unit that will provide both services and referrals for substance abusers in San Francisco. The Target Cities Project is funded by Federal CSAT grant monies in the amount of approximately \$11,137,500 to be distributed to the Department of Public Health (DPH) over a five-year period from September 1, 1993 through August 31, 1998. The Board of Supervisors previously approved funding for the five-year Target Cities Project (File 146-93-58). The Target Cities Project is currently in its third year of funding.

The proposed augmentation would increase CSAT's original FY 1995-96 allocation (year three funding) of approximately \$2.5 million by an amount of \$1,262,373. The proposed funds would be used primarily to expand treatment services, enhance staffing, and implement two new program components required by CSAT. The two new components include (1) an additional \$75,000 for the evaluation component of the Target Cities Project in order to conduct a cross site evaluation between the San Francisco Target Cities

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
March 14, 1996 Government Efficiency and Labor Committee Meeting

Project and the other 19 Target Cities Projects in the United States, and (2) implement a Faith Initiative in order to link substance abuse services to San Francisco's religious organizations.

**Budget:**

The following budget is for the nine month period retroactive from January 1, 1996 through September 30, 1996.

	<u><b>Expense</b></u>
<u><b>Personnel</b></u>	
MIS System Specialist	\$38,000
Nurse Practitioner/Physician's Assistant	37,593
Health Case Manager	24,032
Case Manager	24,000
Contract Monitor	25,400
Mobile Assessment Counselor	22,800
Mobile Assessment Counselor, entry level	16,160
Receptionist	<u>23,920</u>
Total	\$211,905
<u><b>Fringe Benefits (25%)</b></u>	52,977
<u><b>Operating Costs</b></u>	
<u><b>Equipment</b></u>	
Furniture (including 19 lateral files for an average price of \$465 each, and one locked cabinet @ \$614)	10,000
Telephone (\$83 per month for nine months)	747
Computers (three computers @ \$3,500 each)	10,500
Printers (two printers @ \$400 each for two different sites)	800
<u><b>Supplies</b></u>	
Office supplies	20,000
Postage	6,500
Marketing Materials (including brochures and posters for advertising services and new program components to clients and service providers)	11,200
Training Materials ( to be used by Target Cities staff, and substance abuse treatment providers)	8,000
<u><b>Site Alterations</b></u>	
Alterations (including construction costs for new work sites at Central Intake Unit, improved lighting, soundproofing, and ADA signage)	9,003

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Government Efficiency and Labor Committee  
March 14, 1996 Government Efficiency and Labor Committee Meeting

Travel

Out of Town Travel (total of four  
roundtrip airline tickets @ \$1,000 each to be used  
by two staff members to attend two conferences  
each in Washington D.C., (2 staff x 2 tickets each  
= four tickets total) and \$1,000 for  
hotel accommodations) \$5,000  
Local Travel (reimbursed @ .28 per mile for  
an estimated 7,964 miles for 10 counselors for  
local travel between sites) 2,230

Contractual Services (see Comment No. 3)

Treatment Expansion (new Services) \$346,240  
Treatment Expansion (existing services) 284,717  
Voucher Program 95,543  
Subtotal 726,500

Consultant Services (see Comment No. 2)

Gibson and Associates 10,000  
Kristen Curtz Consulting Services 6,000  
Sign Language Interpreter 4,500  
Psychiatric Services 20,000  
Faith Community consultant 24,000

Other Expenses

Evaluation of Target Cities Project  
(see Comment No. 1) 75,000  
Meeting Expenses (including space rental for  
city-wide conferences, speaker honoraria for  
city-wide conferences, and workshops) 2,900

TOTAL DIRECT CHARGES \$1,217,762

Administrative Overhead paid to Fiscal Agent  
(based on 11 percent of eligible Total Direct  
Charges, or \$405,554, as specified in  
contract between Target Cities and  
the Fiscal Agent) 44,611

Total \$1,262,373

**Required Match:** None.

**Indirect Costs:** None. The grantor does not allow for the inclusion of indirect costs.

**Comments:** 1. An amount of \$75,000 would be used to augment the existing contract between the Target Cities Project and the University of California, Institute for Health Policy Studies

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

in order to conduct a cross site evaluation between the San Francisco Target Cities Project, and the 19 other Target Cities in the United States. The purpose of a cross site evaluation is to create a national database, and determine variations in the 20 Target Cities projects. The addition of the cross site evaluation component is a requirement of CSAT, the funding agency. Attachment I, provided by the CSAS provides a detailed budget of the proposed evaluation component.

2. Contractual Services include: (1) \$10,000 for Gibson and Associates; (2) \$6,000 for Kristen Curtz Consulting Services; (3) \$4,500 for a Sign Language Interpreter; (4) \$20,000 for Psychiatric Services, and (5) \$24,000 for a Faith Community consultant. CSAS has advised that consultants have not been selected for (a) sign language interpretation services, (b) psychiatric services, or (c) the services of a Faith Community consultant. Therefore, an amount of \$48,500 should be reserved pending the selection of the consultants, the submission of budget details, and the MBE/WBE status of the consultants.

The balance of contractual services will be expended for the following:

- The Target Cities Project has allocated an additional \$10,000 to an existing contract with Gibson and Associates. Gibson and Associates was originally selected through a Request for Qualifications (RFQ) process, and is not an MBE/WBE firm. The \$10,000 would fund the development of additional proposals to enhance the Target Cities Project's service delivery system. Gibson and Associates would receive up to an amount of \$10,000 for 200 hours of work at \$50 per hour.

- The Target Cities Project has allocated an additional \$6,000 to an existing contract with Kristen Curtz Consulting Services to develop and update service manuals, as well as develop quality assurance standards. Kristen Curtz Consulting Services was originally selected as the result of an interview process for consultants responding to a Letter of Interest submitted by Target Cities to potential consultants. Kristen Curtz Consulting Services is not an MBE/WBE firm. Kristen Curtz Consulting Services would receive up to \$6,000 for 240 hours of work at \$25 per hour.

3. The Target Cities Project has allocated a total amount of \$726,500 for contractual services in order to expand substance abuse treatment. Of this amount, (1) \$346,240

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was allocated for new services, (2) \$284,717 was allocated to expand existing services, and (3) 95,543 was allocated to fund a voucher program. These three components are described below:

New Services (\$346,240)

The following providers were all selected through a Request for Proposal Process as the most qualified bidders to provide new services for clients referred from the Target Cities Project, Central Intake Unit. Each of the providers is a non profit agency.

Provider	Budget Allocation	No. of Hours of Direct Service Provided	Cost Per Hour
Bay View Hunter's Point Foundation	\$175,000	5,946	\$29.43
Westside	50,000	1,499	33.35
Provider Not Yet Selected	81,240*	---	---
Pacific Acupuncture Associates	40,000	595	67.22
Subtotal New Svcs.	\$346,240		

\* Since the Department has not yet selected a contractor to provide these services, an amount of \$81,240 should be reserved pending the selection of a contractor, the submission of contractor cost details, and the MBE/WBE status of the contractor.

Expansion of Existing Services in the Target Cities Project (\$284,717)

The following service providers each have existing contracts with the Target Cities Project. The proposed augmentation would increase the original FY 1995-96 budget allocations for both the Central Intake and Criminal Justice Units as follows:

Provider	Original FY 1995-96 Budget	Increase in FY 1995-96 Budget	Total Amount	Increased Service units to be provided
Operation Concern	\$34,740	\$19,701	\$54,441	687 units @ \$28.65 per unit
Center on Criminal/ Juvenile Justice	16,616	3,731	20,347	82 units @ \$45.44 per unit
Chemical Awareness Treatment Svcs.	148,665	56,982	205,647	1,149 units @ \$49.55 per unit
Haight Ashbury Free Clinics	115,178	-65,322	180,500	1,244 units @ \$52.5 per unit

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Provider	Original FY 1995-96 Budget	Increase in FY 1995-96 Budget	Total Amount	Increased Service units to be provided
Northern California Service League	\$47,543	\$21,600	\$69,143	432 units @ \$50 per unit
*Pacific Acupuncture Associates	30,000	47,866	77,866	712 units @ \$67.22 per unit
Salvation Army	38,915	22,068	60,983	574 units @ \$38.46 per unit
Walden House	<u>204,269</u>	<u>47,447</u>	<u>251,716</u>	748 units @ \$63.42 per unit
Subtotal Existing Services Expansion	\$635,926	\$284,717	\$920,643	

\*Pacific Acupuncture Associates has an existing contract with the Criminal Justice Unit of the Target Cities Project. As noted above, Pacific Acupuncture Associates was awarded a new contract to provide services for the Target Cities Project, Central Intake Unit.

Voucher Program (\$95,543)

The Target Cities Project has allocated \$95,543 for the development of a voucher program. The purpose of the voucher program is (1) to allow treatment providers to receive Drug Rehabilitation Court (a component of the Target Cities Project) client referrals, and the accompanying vouchers for reimbursement on a per unit basis for providing services to these clients, (\$80,000), and (2) to provide emergency housing vouchers to participants in the Drug Rehabilitation Court (\$15,543).

The Department conducted a Request For Qualifications (RFQ) Process to establish a pool of treatment providers which would be eligible to receive Drug Rehabilitation Court client referrals and the accompanying vouchers for reimbursement from Target Cities. The RFQ process resulted in the qualification of seven providers for inclusion in the pool. The eligible providers include (1) Milestones, (2) Westside, (3) Latino Family Center, (4) Haight Ashbury Free Clinics, (5) Chemical Awareness and Treatment Services, (6) UCSF's Substance Abuse Treatment Program, and (7) Northern California Service League. Mr. Emil Krentz of the Target Cities Program advises that the vouchers will be distributed on an as needed basis, up to the amount of \$95,543. Attachment II, provided by Ms. Yvonne Frazier, Director of the Target Cities Project, explains the voucher program process in detail.

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4. Ms. Frazier advises that all of the personnel positions described above will terminate when the grant funds expire.
5. Attachment III is a Summary of Grant Request form, as prepared by the DPH, for the proposed grant funds.
6. The DPH has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board.

- Recommendations:**
1. Reserve \$129,740 for contractual/consultant services, including \$48,500 as detailed in Comment No. 2 above, and \$81,240 detailed in Comment No. 3 above, pending the selection of the contractors/consultants, the MBE/WBE status of the contractors/consultants, and the submission of budget details.
  2. Approve the proposed resolution as amended.

## Attachment I

Guydish/SFTC 85-86XSiteA

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## EVALUATION DETAIL

PI: J. Guydish, PhD  
 Funding Source: HAFMCCity & Co. of SF Target Cities X Site  
 Current FY: 10/1/95 - 9/30/96

## Budget Category

Personnel	Role	% Effort	1995 Beginning Benefit Rate	Annual Salary as of Oct 1	1996 Annual Salary as of Jan 1	Benefit Rate as of Jan 1	Annual Salary as of July 1	Total Salary	Total Benefits	Total Category
Faculty										
J. Guydish	P.I.	25.00%	15.0%	72,800	72,800	15.6%	78,440	18,428	2,833	21,261
M. Chan	Proj. Dir.	15.00%	16.0%	42,652	42,652	16.5%	42,652	8,398	1,047	7,446
D. Mason	Financial Analyst	7.00%	15.0%	53,141	53,141	16.6%	53,141	3,720	572	4,292
M. Nguyen	Programmer	30.00%	17.5%	30,672	30,672	18.0%	32,208	9,317	1,866	10,982
P. Luncour	Proj. Asst. II	10.00%	23.0%	32,556	32,556	23.5%	32,556	3,266	781	4,017
Total Personnel		87.00%						41,119	6,878	47,997
Consultants										0
Equipment										0
Supplies (to itemize, use:)										3,969
Office supplies/postage/publications		2,114								
Printing/Photocopying		200								
Delivery		200								
Telephone		996								
Programming Services		0								
Computer Network Support		470								
Travel										1,500
National		1,500								
Local		0								
Other										7,607
Space Rental Allowance		7,607								
Computer Time		0								
Consortium/Contractual Costs										0
Direct		0								
Indirect		0								
TOTAL DIRECT										61,003
INDIRECT @28% MTDC										13,907
TOTAL										75,000

12/13/95

Appendix B-1

There are a variety of options for structuring a voucher system in the context of a system wherein a Central Intake, Assessment and Referral Unit such as the San Francisco Target Cities Project is linked to an array of treatment programs via an automated MIS capable of tracking treatment program characteristics, patient/client characteristics, and available capacity. Generally, the characteristics and process requirements inherent in each of these systems can be described as follows:

Voucher System:

- Each individual who undergoes assessment by the Criminal Justice Component of the San Francisco Target Cities Project is issued a voucher, exchangeable for admission at one or more treatment programs designed to suit the treatment needs of the individual;
- The voucher is encoded with the time and date of issuance and a unique patient/client identifier, and the patient/client is provided with a list of treatment programs/modalities that will accept the coupon;
- The target cities staff member enters the unique patient/client identifier and the time and date of voucher issuance into the automated MIS;
- The MIS informs each treatment program to which the patient/client has been referred that a referral has been made and simultaneously reserves capacity in each treatment program in anticipation of the admission;
- The voucher is time limited (e.g., the coupon expires within 36 hours of issuance);
- If the patient/client presents for treatment to a referral site, the treatment program enters the unique patient/client identifier into its data management system;

The treatment program automated management system logs the admission, simultaneously deletes the capacity reservation, and informs the Target Cities Staff that the admission has been made;

The CIU MIS informs the other treatment programs to which the patient/client was referred that admission has occurred, simultaneously deleting the capacity reservations made at the time the patient/client was referred from the CIU;

- If the patient/client does not present for treatment at one of the treatment programs referral sites within 36 hours of coupon issuance, the CIU MIS deletes all capacity reservations.



Item No. \_\_\_\_\_

**Health Commission - Summary of Grant Request**

Rev. 4/10/90

Grantor: USDHHS/Center for Substance Abuse Treatment (CSAT)

Contact Person: Barry Blandford

Address: Suite 740, Rockwall II Building

5600 Fisher Ln., Rockville, MD 20857

Amount Requested: \$1,262,373

Term: From 1/1/96 To 9/30/96

Health Commission \_\_\_\_\_ Board of Supervisors:

Division: Mental Health and

Substance Abuse Services

Section: Community Substance Abuse Services

Contact Person: Larry Meredith, Ph.D.

Telephone: 255-3500

Application Deadline: N/A

Notification Expected: N/A

Finance Committee: \_\_\_\_\_

Full Board: \_\_\_\_\_

- I. Item Description: Request to accept and expend an augmentation to an allocation/grant in the amount of \$1,262,373 for the period of January 1, 1996 to September 30, 1996 to provide centralized substance abuse treatment enhancement and placement services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

CSAS was awarded the SF Target Cities cooperative agreement following the competitive review, and 19 other cities in the nation were awarded this award. The five-year grant project was approved by both the Commission and Board of Supervisors (File # 146 - 93 - 58 Res. # 992-93). A three way cooperative agreement between CSAT (Center for Substance Abuse Treatment), DADP (Department of Alcohol and Drug Programs), and DPH, CSAS (Community Substance Abuse Services) was established. (Continued on Page 1b Attached)

III. Outcomes/Objectives:

1. Improve and systematize access to treatment and recovery.
2. Improve effectiveness of treatment and recovery.

IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of funds in any subsequent year of this award would result in a comparable reduction or termination of services.

V. Financial Information:

Col A Two Years Ago	Col. B Past Year/ Original	Col. C Proposed	Col. D Change	Req. Match	Approved by
---------------------------	----------------------------------	--------------------	------------------	------------	-------------

Grant Amount	N/A	N/A	1,262,373	N/A	N/A	N/A
Personnel			0			
Equipment			0			
*Contract Svc.			1,262,373			
Mat. & Supp.			0			
Facilities/Space			0			
Other/Admin.			0			
Indirect Costs			0			

VI. Data Processing

(costs included above)

	0	
--	---	--

VII. Personnel

F/T CSC	0	
P/T CSC	0	
Contractual	8	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

No; all grant funded employees will be advised of the temporary nature of their employment.

\*VIII. Contractual Services: Open Bid XXX Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)



Item 2 - File 94-96-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of February 27, 1996.

**Department:** Public Utilities Commission

**Item:** Resolution authorizing the Public Utilities Commission General Manager to apply for, accept and expend \$721,000 from the Intermodal Surface Transportation Efficiency Act (ISTEA) under the California Department of Transportation enhancement activities program for the historic restoration of the Sunol Water Temple and a nearby fountain.

**Comments:** 1. According to a resolution of the Metropolitan Transportation Commission (MTC) (No. 2857), the MTC has the responsibility for selecting activities within its jurisdiction to be funded by ISTEA funds. MTC has published a list of programs to be awarded ISTEA funds. According to this published list, the proposed historic restoration of the Sunol Water Temple and a nearby fountain has not been awarded any ISTEA funds. Therefore, the proposed project will not be implemented.

2. According to Ms. Mary Williams of the PUC, the PUC agrees that this proposed resolution should be tabled.

**Recommendation:** Table the proposed resolution.



Items 3 and 4 - Files 65-96-2 and 65-96-2.1

**Note:** These items were continued by the Government Efficiency and Labor Committee at its meeting of February 27, 1996.

**Department:** Port Commission

**Items:** Item 3 - File 65-96-2 is a resolution adopting the Final Negative Declaration, finding and determining that the proposed Pier 38 Maritime Recreation Center (on the Embarcadero between Brannan and Townsend Streets) will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration.

Item 4 - File 65-96-2.1 is an ordinance approving a Lease Agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City and County of San Francisco operating by and through the San Francisco Port Commission for a Maritime Recreation Center at Pier 38.

**Description:** **Pier 38 Maritime Recreation Center Project Overview**

Pier 38 is owned by the Port. Mr. Nicolas Dempsey of the Port states that Pier 38 is currently vacant, except for a small area where boats owned by one of the proposed tenants, Mr. Carl Ernst, Jr., are being stored for a fee (See Comment No. 4). In the second paragraph of page 2 of a memo shown as Attachment No. 1 to this report, Port Executive Director Dennis Bouey states that the existing condition of the Pier 38 facility is poor, and that Port staff have reported that there are significant structural problems related to the south wall and the pier and roof substructures.

The proposed tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc., approached the Port with a proposal for developing Pier 38. The proposed Pier 38 Maritime Recreation Center would be designed to provide a drystack (out-of-water) boat storage facility for approximately 300 motor boats, fueling services to customers, transient berthing, sales of new and used motor boats, motor boat rental, a maritime chandlery (store for maritime supplies), food and beverage services, customer parking, and public access. Mr. Ernst and the Pier 38 Maritime Recreation Center, Inc., would lease Pier 38 from the Port, as proposed in Item 4, File 65-96-2.1 (see details below).

The Port Commission authorized the Port to negotiate a lease, on a sole source basis, with Mr. Ernst and the Pier 38 Maritime Recreation Center, Inc. without conducting a

competitive bid, on the grounds that such a bid would be impractical or impossible (See Comment No. 1, which refers to Attachments Nos. 1, 2 and 3 provided by the Port). The Pier 38 Maritime Recreation Center, Inc. is a corporation to be formed in the future by Mr. Ernst. Mr. Dempsey advises that at this time, no principals other than Mr. Ernst are expected to be involved with this planned corporation.

The proposed lease is designed to encourage the proposed tenants to improve the property without requiring expenditures on the part of the Port, according to Mr. Dempsey. Lease provisions include a basic rent schedule that increases over the term of the lease, and significant rent credits for repair expenditures and tenant improvements to construct the planned commercial facilities. A long-term lease (20 years and nine months, with three five year options), is being proposed in order to enable the tenants to amortize their investment in the property, as well as to accommodate Mr. Ernst's plan to use the leasehold to qualify as a nontaxable property exchange in connection with unrelated property recently sold by Mr. Ernst. The option periods would only be available if a tax free exchange is completed within the first four years of the lease term.

### **Item 3 - File 65-96-2**

This is a resolution adopting the Final Negative Declaration finding that the proposed Pier 38 Maritime Recreation Center will have no significant impact on the environment.

On December 21, 1995 the Department of City Planning issued for public review a preliminary negative declaration for the proposed project. On February 2, 1996 the negative declaration was finalized by the Department of City Planning. The negative declaration was based on the project description developed by the proposed sole-source tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

**Item 4 - File 65-96-2.1**

**Premises  
to be Leased:**

Pier 38, on the Embarcadero between Brannan Street and  
Townsend Street:  
68,000 square feet of shed space (open bay warehouse space)  
28,000 square feet of apron space (dock area for public  
access)  
7,800 square feet of Pier Bulkhead Office Space  
180,000 square feet of water surface area (non-exclusive  
possession of water surface area)

**Permitted Uses:**

The proposed lease states that the premises shall be used as a  
maritime recreation center, with the following uses:

- visiting boat docks and moorings
- recreational boat rentals
- dry boat storage
- a maritime chandlery operation occupying not more than  
2,500 square feet
- a new and used boat sales operation occupying not more  
than 7,500 square feet
- related maritime recreation facilities which may include up  
to two whirlpool baths and up to two saunas
- casual dining and full service dining occupying not more  
than 5,000 square feet
- administrative offices, public access, parking

**Term of Lease:**

The proposed lease term is 20 years and nine months,  
commencing on the first day of the month succeeding adoption  
by the Board of Supervisors of the proposed ordinance  
approving the lease, with three five year options for renewal.  
The first nine months are considered the "Preliminary Term,"  
to allow for completion of initial improvements to the premises  
by Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.,  
and to provide time for the rent up of dry boat storage spaces.  
(See Rent section below.) Mr. Dempsey advises that the lease  
term is comparable to the terms of other pier leases held by  
the Port, including Pier 33 (30 years, approved in 1980), Pier  
54 (15 years, with two five year options, approved in 1990)  
and Pier 7 1/2 (20 years, with two five year options, approved  
in 1995). Mr. Dempsey further advises that the draft  
Waterfront Land Use Plan (a document that was mandated  
by the voters in 1990 under Proposition H) states that it will  
be a general policy of the Port to provide "long term leases and  
other incentives for maritime industries to invest in facility  
improvements..." in existing maritime areas such as Pier 38.  
According to Mr. Dempsey, Mr. Ernst plans to use the  
leasehold to qualify as a nontaxable property exchange,  
connected with unrelated property recently sold by Mr. Ernst.



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Mr. Ernst therefore has requested a lease term, with options, of at least 30 years.

Mr. Dempsey states that the Port is willing to provide such a lease term because this term will help make the project feasible, and is consistent with the draft Waterfront Land Use Plan, which was mandated by Proposition H, passed by the voters in 1990. Mr. Dempsey reports that the draft Waterfront Land Use Plan restricts the use of Pier 38 to maritime, recreational maritime, public access and maritime support uses.

**Rent:**

Monthly Base Rent

Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. would pay a minimum total base rent to the Port, as shown below.

	<u>Monthly Rent</u>	<u>Annual Rent</u>
Preliminary Term		
(nine months):	\$1,000	\$9,000
Year One	5,500	66,000
Year Two	11,000	132,000
Year Three	16,500	198,000
Year Four	21,500	258,000
Year Five	27,000	324,000
Year Six	32,000	384,000
Year Seven	37,500	450,000
Year Eight	48,000	576,000
Year Nine	48,000	576,000
Year Ten	48,000	<u>576,000</u>
Total through Year Ten		\$3,549,000

Years Eleven - 20: (1) An amount equal to \$22,000 per month, or \$264,000 per year, in 1996 dollars, adjusted by the Consumer Price Index, plus (2) an additional amount for the casual and full service dining space, to be agreed upon by the Port and the tenant based on the prevailing market rent for similarly sized, improved and situated dining space. Board of Supervisors approval would not be required for such additional rental amount. If the Port and the Tenant cannot agree on a rent adjustment for the dining space, the amount would be decided by binding arbitration. Mr. Dempsey states that the current market rate for comparable dining space is \$1.00 per square foot (a total of \$5,000 per month, or \$60,000 per year for approximately 5,000 square feet of dining space). The estimated combined monthly base rent in years eleven through 20 would therefor total \$27,000 (\$22,000 plus \$5,000) in 1996 dollars, or \$324,000 per year.



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Assuming 3 percent average annual inflation, the anticipated rent schedule for years 11 through 20 is as follows:

	<u>Monthly Rent</u>	<u>Annual Rent</u>
Year 11	\$35,229	422,747
Year 12	36,286	435,429
Year 13	37,374	448,492
Year 14	38,496	461,947
Year 15	39,650	475,805
Year 16	40,840	490,079
Year 17	42,065	504,781
Year 18	43,327	519,925
Year 19	44,627	535,523
Year 20	45,966	<u>551,588</u>
Total Years 11-20		\$4,846,316

The foregoing estimate assumes that the dining space rent, to be negotiated at the end of Year 10, will total at least \$5,000 per month, as estimated by Mr. Dempsey. The total, 20 year rent would be \$8,395,316 (\$3,549,000 plus \$4,846,316). However, as described below, actual revenues to the Port will be significantly effected by rent credits as well as percentage rents.

Mr. Dempsey states that this proposed rent schedule represents fair market value, and is equivalent to rents that the Port receives for similarly situated facilities in similar condition. Mr. Dempsey advises that the rent schedule is designed to use higher than market base rent levels in years eight through ten to compensate the Port for the lower than market base rent levels in the early years of the lease. Mr. Dempsey further advises that the base rent in years eleven through 20 is designed to return to fair market rent levels.

Percentage Rent

Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. would pay the Port a percentage rent if the percentage rent exceeds the base rent as follows:

(1) Casual and Full Service Dining: The tenant pays the difference between (a) 20 percent of the base rent shown above, and (b) 11 percent of gross receipts from casual dining, plus 7 percent of gross receipts from full service dining.

(2) Other Facilities: The tenant pays the difference between (a) 80 percent of the base rent shown above, and (b) 7 percent of all other sales and rental receipts, including used boat sales brokerage fees, but not including gross receipts directly related to the sale of new or used boats.

**Board of Supervisors**  
**Budget Analyst**

At the election of either the Port or Mr. Ernst and Pier 38 Maritime Recreation Center, Inc., the Port could review and adjust the applicable percentage for the percentage rent every five years by up to 1 percentage point per revenue type, based on percentage rent rates for like uses in San Francisco at that time. Board of Supervisors approval would not be required for such an adjustment, as it is considered to be part of implementation of the lease provisions.

#### Opportunity Rent

Mr. Dempsey states that the rent for the first ten years of the lease, after the preliminary term of nine months, is designed so that the present value in the tenth year of all payments received over the ten year period is equivalent to level monthly payments of \$27,500 per month, or \$330,000 annually for the ten year period, adjusted annually by the CPI. The present value in the tenth year would be calculated using a discount rate of 5.75 percent. The discount rate measures the opportunity cost, which represents the Port's actual cost of bonded indebtedness.

In order to ensure that this revenue target for the Port is achieved, at the end of the first ten years of the lease (following the nine month preliminary term), the tenant would be required to pay the difference, if positive, between: (1) the present value of ten years of monthly payments of \$27,500, adjusted annually by the CPI, plus any percentage rents that would have been paid above these amounts, less (2) the net present value in the tenth year of the actual base rent plus percentage rent paid over the ten year period. This payment would be called the "opportunity rent." Mr. Dempsey advises that the provision for opportunity rent would probably only result in a payment by Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. if there is high inflation over the coming decade. If there is relatively low inflation over the coming decade, Mr. Dempsey expects that the net present value in the tenth year of the actual payments made by the tenants to the Port will be at least equal to the present value of ten years of monthly payments of \$27,500, adjusted annually by the CPI, plus applicable percentage rents.

#### **Option Rent:**

The lessee would have three five year renewal options, if the tenant completes a tax free exchange connected with unrelated property recently sold by Mr. Ernst, within the first four years of the lease term. The proposed lease states that the option rent would start at the average of the base rent

plus the percentage rent for the last three years of the lease, with annual CPI adjustments thereafter.

**Tenant  
Improvements and  
Rent Credits:**

The proposed lease contains minimum capital investment requirements of the tenant, which state that by the start of the fourth year of the lease, the tenant must show proof of investment of (1) not less than \$300,000 for items of repair and maintenance which would otherwise be the obligation of the Port, and (2) not less than \$200,000 in tenant improvements (e.g. non-repair improvements to facilitate commercial use of the property). The total required tenant investment in the facility is \$500,000 during the first three years of the lease.

The \$300,000 expenditure for repair and maintenance items would involve the facility roof, exterior walls, the pier substructure and the pier apron substructure. The proposed lease does not list specific repairs to be undertaken within these categories. Mr. Dempsey states that the tenants will have to determine which repairs are most important to their marketing efforts, subject to Port approval. Attachment No. 4 shows the repairs and improvements that the proposed tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. plan to undertake to comply with this requirement.

The tenant would be entitled to dollar-for-dollar rent credits for the cost of repairs that would otherwise be the obligation of the Port, as long as the repairs are undertaken with Port approval. Therefore, the tenant would be entitled to a minimum of \$300,000 in repair-related rent credits during the term of the lease, with no maximum cap on repair and maintenance rent credits other than that exercised by the Port in approving specific expenditures.

Additionally, the tenant would be entitled to rent credits totaling 50 percent of the cost of tenant improvements approved by the Port, up to a maximum rent credit of \$1,000,000 for general tenant improvements, and \$200,000 for hazardous materials remediation and abatement, for a total of \$1,200,000, over the term of the lease. Such rent credits would include, but not be limited to, the required \$200,000 in tenant improvements. Therefore, based on the investment requirements listed above, the tenant would be entitled to a minimum of \$100,000 in tenant improvement-related rent credits (50 percent of \$200,000), and a maximum of \$1,200,000 in such rent credits over the term of the lease.

The proposed lease states that the tenant cannot claim total rent credits (including both repair/maintenance rent credits and tenant improvement rent credits) in any one month above 50 percent of the Base Rent that would otherwise be due the Port in that month. This requirement would result in spreading rent credits over a longer period of time, ensuring a minimum level of rent payments to the Port.

**Estimated**

**Revenues to Port:**

Mr. Tom Girlich, Port Financial Planner, estimates that, at a minimum, the proposed lease agreement would result in estimated average annual rental revenues to the Port of \$193,326 during the first ten years of the lease, and \$264,134 during the second ten years of the lease, for total 20 year minimum estimated rental revenues of \$4.6 million.

Because of the provision limiting rent credits in any month to 50 percent of the Base Rent, the Budget Analyst estimates that total 20-year and nine month revenues to the Port would be a minimum of approximately \$4.2 million in nominal dollars (approximately 50 percent of the total scheduled Base Rent before rent credits of \$8.4 million over the term of the lease), or \$2.1 million in present value. This estimate assumes 3 percent annual inflation over the term of the lease, and dining space rent in years 11 through 20 of \$5,000 in present value. These estimates do not assume payments of percentage rent, as such payments are dependent upon the commercial success of the various retail activities planned in the project, and cannot be predicted with any accuracy at this preliminary stage of the project.

The estimate also assumes that the tenants claim the maximum rent credits during the term of the lease, which would require the tenants to invest an identical total (\$4.2 million in nominal dollars, or \$2.1 million in present value) in tenant improvements, repairs and maintenance over the term of the lease. The value of such improvements to the Port has not been included in the estimate of rental revenues to the Port.

**Utilities:**

Tenant responsible for all utilities.

**Maintenance:**

The Port would be responsible for maintenance of the facility roof, exterior walls, pier substructure and pier apron substructure. However, as stated above, the tenant would be required to invest \$300,000 in repairs to these aspects of the facility during the first three years of the lease, and would receive a full rent credit for any such repairs undertaken with the prior approval of the Port.



The tenant would be responsible for all other maintenance and repair of the facility.

**Comments:**

1. The Port Commission has determined that it would be impractical to conduct a competitive bid for lease of the subject property, and authorized the Port to enter into negotiations with Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. without a competitive bid. As previously noted, Pier 38 Maritime Recreation Center, Inc. is a corporation that would be formed by Mr. Ernst if the proposed lease is approved. On page 2 of Attachment No. 1, Mr. Bouey cites the following reasons why a competitive bid would be impractical or impossible: (1) Pier 38 requires substantial repairs, which would have to be underwritten by any prospective user; (2) the range and combination of maritime uses that is proposed is so unique that only the proposed bidder has both the interest and the ability to undertake the project; and (3) the facility has been essentially vacant for five years. Despite direct marketing efforts on the part of the Port, no other proposals involving acceptable proposed uses have been presented to the Port. Attachment 2 provided by the Port documents all prior direct marketing efforts. Attachment No. 3 is a copy of the Port Commission resolution finding that an RFP process would be impractical.

Mr. Harry Quinn of the Department of Real Estate (DRE) states that, in the professional judgment of the DRE, the Port is justified in its claim that a competitive bid would be impractical in this case, because (1) Pier 38 has been vacant for a long period of time, (2) the property needs substantial repairs which the Port is unable to pay for directly, so the lease must be negotiated to include tenant financing of repairs; and (3) sole source negotiation of this lease does not preclude other interested parties from leasing comparable pier property from the Port (i.e., there are other vacant pier sites). Regarding fair market value, Mr. Quinn advises that the DRE cannot evaluate the terms of Port maritime leases, because the market for such leases is unlike typical DRE leases. Attachment No. 5 contains this statement in writing from Mr. Quinn.

As previously noted, the Port has utilized various efforts to lease the subject property in the past five years to justify a determination that a Request for Proposal (RFP) process would not yield alternative qualified proposals for permissible uses on Pier 38. Such efforts include: (1) listing of the property in the Port's internal vacancy/available report for use by Port leasing staff in matching the space needs of prospective Port

tenants with Port properties; (2) posting of an "Available" sign on the property since 1993-94; (3) listing of the property in a direct mailing to Bay Area real estate brokers; and (4) telephone inquiries to seven Bay Area marina operators in 1995. Mr. Dempsey states that these efforts have yielded many inquiries, but no proposals for uses acceptable under current and proposed land use ordinances, other than that submitted by Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

2. The Port would have the right to terminate the lease if the tenant fails to make the minimum required investment of \$500,000 described above by the start of the fourth year of the lease.

3. Mr. Dempsey states that the tenant plans to make further investments in the facility in the first ten years of the lease, above the required \$500,000, which are estimated as follows: (1) \$500,000 for additional structural and facility repairs; (2) \$2,380,000 for additional tenant improvements and office and commercial build out; and (3) \$840,000 in trade fixtures and equipment, for a total planned additional tenant investment of approximately \$3.72 million. Attachment No. 4 shows the specific improvements that are planned and estimated costs. However, the provisions of the lease do not require this \$3.72 million in improvements to be made.

4. Mr. Dempsey states that approximately 2,400 square feet of the Pier 38 shell is currently being leased to Pinnacle Properties, at a lease rate of \$0.35 per square foot, or approximately \$840 per month. Mr. Dempsey advises that Pinnacle Properties is a brokerage firm, which is in turn leasing the shell space to Mr. Ernst for storage of motor boats, and, on a month-to-month basis, to a company called Clean Bay, which would be relocated to Pier 50 if the proposed lease is approved, at no cost to the Port.

5. The proposed lease states that 30 percent of all construction costs must be allocated by the tenant to MBE/WBE/DBE businesses.

6. The Budget Analyst recommends that the proposed ordinance be amended to require the Port to report to the Board of Supervisors regarding (1) the base rent terms for the dining space, which are subject to negotiation at the end of the tenth year of the proposed lease; and (2) any reduction in percentage rents during the term of the lease.



7. In the professional judgment of the Budget Analyst, a specific example of the calculation of the opportunity rent should be attached to the proposed lease, to ensure that the tenant and the Port are in agreement about how the calculation would be made. Deputy City Attorney Julie Van Nostern states that such an example will be included in the lease.

8. The Port estimates that, at a minimum, the proposed lease agreement would result in estimated rental revenues of \$4.6 million to the Port over the 20 year term of the lease, and a minimum of \$500,000 in maintenance and tenant improvement investment by the tenant. In the professional judgment of the Budget Analyst, these minimum revenue projections appear to be reasonable, but there is some uncertainty about the actual revenues to be realized by the proposed lease. Furthermore, the Budget Analyst notes that the proposed lease would provide a sole source arrangement with Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

- Recommendations:**
1. Amend the proposed ordinance to require the Port to report to the Board of Supervisors regarding (1) the base rent terms for the dining space, which are subject to negotiation at the end of the tenth year of the proposed lease; and (2) any reduction in percentage rents during the term of the lease.
  2. The Budget Analyst considers approval of the proposed resolution adopting a Final Negative Declaration (File 65-96-2) and the proposed ordinance approving a lease agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City (File 65-96-2.1), as amended, to be policy decisions for the Board of Supervisors.

PORT OF SAN FRANCISCO



MEMORANDUM

February 5, 1996

Ferry Building  
San Francisco, CA 94111  
Telephone 415 274 2400  
Telex 275840 PFF UF  
Fax 415 274 1511  
Cable SFFCARTOON  
Writer

TO: MEMBERS, PORT COMMISSION  
Hon. Michael Hardeman, President  
Hon. Frankie G. Lee, Vice President  
Hon. Anne Halsted  
Hon. Francis J. O'Neill  
Hon. Preston Cook

FROM: Dennis P. Bouey *DPB*  
Executive Director

SUBJECT: Adoption of Finding of Negative Declaration and Approval of Lease with Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. for a 20 year 9-month term with three 5-year options for a maritime recreation center at Pier 38.

DIRECTOR'S RECOMMENDATION: ADOPT FINDING OF NEGATIVE DECLARATION AND APPROVE LEASE AGREEMENT WITH CARL ERNST, JR. AND PIER 38 MARITIME RECREATION CENTER, INC.

BACKGROUND

Carl Ernst, Jr. and Pier 38 Recreation Center, Inc. (jointly and severally, "MRC") approached the Port desiring to lease substantially all of Pier 38 in order to establish a maritime recreation center. Mr. Ernst has over twenty years of recreational enterprise experience. He has operated marinas and boatyards in California at Lake Tahoe and Montara. Over two years of market research and concept analysis preceded his approaching the Port with this proposal. On August 29, 1995, the Port Commission adopted a resolution (Resolution 95-70) approving an Exclusive Right to Negotiate Agreement with MRC. A copy of the Memorandum and Resolution 95-70 is attached for your review and reference.

Staff has negotiated the terms of a proposed lease agreement with MRC consistent with the Port Commission's previously approved resolution.

The Pier 38 Maritime Recreation Center will offer dry boat storage and boat launching, small boat rental, transient berthing, new and used boat sales, a maritime chandlery, a casual dining snack bar and full service restaurant, related customer parking and general administrative offices and public facilities and enhanced public access. The proposed uses are consistent with the uses

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currently permitted for this site. More importantly, the use as a maritime recreation center is consistent with the uses permitted and encouraged under the Draft Waterfront Land Use Plan. Pier 38 would be transformed into an active, inviting location for residents and visitors to gather and enjoy the waterfront.

The existing condition of the Pier 38 facility is poor. The Port Maintenance and Engineering Staff has reported that there are significant structural problems related to the south wall and the pier and roof substructures.

MRC would perform renovations of Pier 38. The MRC business plan envisions expenditures exceeding \$4.2 Million Dollars allocated as follows: \$1,595,000.00 for tenant improvements and repairs, including commercial and office build outs, boat storage facilities and public access enhancement; \$1,350,000.00 for structural and facility repairs, including repairs to the roof and walls and needed piling replacement, (some of which may be repairs otherwise the obligation of the Port) and \$1,255,000.00 for fixtures and equipment. These improvements will be financed by a combination of Tenant equity and State Department of Boating and Waterways and private loans.

Pursuant to Port Commission Leasing Policy adopted August 22, 1979, and subsequently amended by Resolution 80-95 on September 10, 1980, subsection 10, the Port may enter into negotiations with a tenant without competitive bid when competitive bid is impractical or impossible and the property is proposed to be used for maritime purposes. The proposed use is a maritime-related use. In addition, staff believes that issuing a Request for Proposals for this Facility would prove impractical and impossible for the following reasons:

- The physical condition of the Pier 38 Facility requires substantial repairs. Any bid proposal would require prospective users to underwrite the costs of needed structural, roof and other repairs which would preclude sufficient interest from qualified prospective bidders.
- The range and combination of maritime and related uses in the proposed use at Pier 38 are so unique as to preclude from the field of potential bidders any other users with the interest and ability to undertake the project other than MRC.
- The Pier 38 Facility has been vacant for over five years. The Port's direct marketing efforts over the past 3 years have resulted in no other proposals for other acceptable maritime or permitted uses for Pier 38 either under the existing zoning or the Draft Waterfront Plan.

Because the above stated reasons make competitive bidding impractical, competitive bid of this Lease is not required under Port Commission policy nor under San Francisco Charter or Administrative Code Section 2.6-1.

A Final Negative Declaration for the project was adopted and issued by the Department of City Planning on February 2, 1996.

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The Final Negative Declaration is attached hereto for review. The Final Negative Declaration found that there is no substantial evidence that the proposed maritime recreation center could have a significant effect on the environment. No measures of mitigation are required.

### Terms

#### Premises

The Premises is comprised of 68,000 useable square feet of shed space, 28,000 square feet of pier apron and stringer, 7,800 square feet of bulkhead office, and the non-exclusive use of 180,000 square feet of water space.

#### Uses

##### Permitted Uses

A maritime recreation center limited to dry boat storage and launching facilities; transient berthing for not more than 72 hours per visit; small boat rental; maritime recreational equipment rental; new and used boat sales occupying not more than 7,500 square feet; a maritime chandlery occupying not more than 2,500 square feet; Casual Dining and Full Service Dining including therein the sale of alcoholic beverages for on-site consumption occupying not more than 5,000 square feet (No sales of alcoholic beverages for off-site consumption shall be permitted); general and administrative offices for related functions; customer parking for a maximum of 100 vehicles; related support locker rooms.

##### Prohibited Uses

The Lease will prohibit the use of the Premises for boat excursion services, site seeing tours, dinner or cocktail cruises, water taxi service, exercise, health spas or fitness centers, video arcades or electronic game rooms, R.V. storage, and public parking for other than customers or guests and non project-related office use.

#### Term

The Term is twenty (20) years and nine (9) months with three 5-year Options. The first nine months allow for initial build out of the Premises and for rent up of dry boat storage spaces. Options are provided in event of a delayed "1031" Exchange. (IRS rules allow for an "exchange" of fee interests and leasehold interests provided that the leasehold interest is for not less than 31 years.) If the tenant fails to effect the anticipated exchange within the first four years of the Term, the Options expire.

##### Right of Early Termination

The Tenant will have the one time right to terminate at the end of the tenth year of the Term or at other times if the Port fails to undertake Port maintenance items and the Tenant chooses not to undertake such repairs. The Port may terminate if MRC fails to secure all necessary governmental permits within the first 6 months of the Term or if, at the end of the third year, the Tenant has not made the minimum required investment as set forth below or if, upon written notice by the Port, the Tenant fails to repair a hazardous/life-safety condition which is either the Port's responsibility or the Tenant's responsibility to repair.



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#### Base Rent

The Base Rent schedule during the first 10 years of the Term is designed to guarantee the Port a cash flow equivalent to the net present value of a Base Rent equal to \$27,500 per month as if it had been adjusted by annual CPI increases. Within this \$27,500 per month Base Rent, \$22,000 is allocated to that portion of the Premises not used for restaurant uses ("Maritime Base Rent") and \$5,500.00 is allocated to the areas dedicated to Casual and Full Service Dining ("Restaurant Base Rent") (cumulatively "Base Rent")

The Base Rent schedule is structured as follows:

For the Preliminary Term (9 months) One Thousand Dollars (\$1,000.00) per calendar month.

For the First Lease Year: Five Thousand Five Hundred Dollars (\$5,500.00)  
per calendar month;

For the Second Lease Year: Eleven Thousand Dollars (\$11,000.00)  
per calendar month;

For the Third Lease Year: Sixteen Thousand Five Hundred Dollars (\$16,500.00)  
per calendar month;

For the Fourth Lease Year: Twenty One Thousand Five Hundred Dollars (\$21,500.00)  
per calendar month;

For the Fifth Lease Year: Twenty Seven Thousand Dollars (\$27,000.00)  
per calendar month;

For the Sixth Lease Year: ) Thirty Two Thousand Dollars (\$32,000.00)  
per calendar month;

For the Seventh Lease Year: Thirty Seven Thousand Five Hundred Dollars (\$37,500.00)  
per calendar month;

For the Eighth, Ninth and Tenth Lease Years: Forty Eight Thousand Dollars (\$48,000.00)  
per calendar month;

For the Eleventh through the Twentieth Lease Year: A Maritime Base Rent of Twenty Two Thousand Dollars (\$22,000.00) adjusted by the CPI from the Lease Commencement Date (1996), plus an amount equal to the fair market rental value for the "Restaurant Base Rent" to be agreed upon by the parties or failing an agreement, to be determined by binding arbitration.

#### Base Rent Adjustments

In the eleventh year, monthly Maritime Base Rent will be based on a ten year CPI adjustment on \$22,000.00. The Restaurant Base Rent will be adjusted to fair market value by mutual agreement. If the Port and Tenant fail to agree on the adjusted Restaurant Base Rent, the matter will be determined by arbitration. This procedure will be used to adjust the Restaurant Base Rent

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every five years. In subsequent and intervening years, all Base Rents will be adjusted annually by CPI adjustment.

#### Opportunity Rent

In order to insure that the actual cash flow equals the then net present value of \$27,500 per month over a ten year period, at the end of the tenth lease year an "Opportunity Rent" will be payable by MRC which will be equal to the difference between the net present value of all rents actually received as compared to the net present value of \$27,500 per month, as if adjusted annually by the actual CPI increases during the first ten years plus any percentage rents that would have been payable given that assumed Base Rent.

#### Option Rent

In the option periods, the Base Rent will be the greater of 115% of the average Base Rents and Percentage Rents for the previous three years or the Port's minimum rent for as improved, similarly situated facilities per published Port schedule.

#### Percentage Rent

Percentage Rent will be payable at a rate of 7% of Gross Maritime Sales and boat sale brokerage fees versus the Maritime Base Rent. New and used boat sales will be excluded from the definition of Gross Maritime Sales. Percentage Rent for food sales will be payable at a rate of 7% for full service dining and 11% for casual dining versus the Restaurant Base Rent.

#### Percentage Rent Adjustment

The applicable percentages are subject to adjustment every five years and are to be determined at the Port's sole and reasonable discretion. The actual increase or decrease can be no more than one (1) percentage point per adjustment period per revenue type. In the eleventh year and for any option period, if the parties fail to agree on the rate, the Restaurant Percentage Rent shall be determined by arbitration.

#### Maintenance Obligations

The Port agrees to maintain the pier substructures and the structural portions of the roof and exterior walls and to maintain the roof and walls in a water tight condition. All other items of maintenance and repair are the sole obligation of MRC.

Should the Port determine not to undertake such maintenance and/or repairs, the Lease provides that the Tenant's sole remedy is to either assume the repairs and/or maintenance at its own expense subject to the receipt of rent credits for the cost of such undertakings, or terminate the Lease. The Port can void any such termination by making the needed repairs.

#### Facility Improvements Required Tenant Expenditure

During the first 3 years of the Term, the Tenant must spend not less than \$300,000.00 for repairs that would otherwise be the obligation of the Port (e.g. roof, roof structure, pier substructure, exterior walls, apron substructure) and not less than \$200,000.00 for tenant improvements.



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#### Other Tenant Investments

MRC anticipates investing an additional \$3.7 Million Dollars allocated as follows:

- \$1,050,000.00 for structural and other facility repairs;
- \$1,395,000.00 tenant improvements and office and commercial build out;
- \$1,255,000.00 in trade fixtures and equipment.

#### Rent Credits

##### Tenant Improvements

The tenant shall be entitled to rent credits for 50% of the cost to install or construct capitalizable tenant improvements (excluding furniture, fixtures and equipment) up to a maximum available rent credit of \$1,000,000.00 for tenant improvements and up to \$200,000.00 for hazardous materials remediation and abatement over the Term provided that the Port first approves such improvements or work.

##### Repairs Undertaken on Behalf of the Port

The Tenant shall be entitled to receive a dollar for dollar rent credit for the cost of undertaking repairs otherwise the obligation of the Port (e.g., roof, roof substructure, pier substructure, exterior walls, apron substructure, etc.) provided that the Port first approves such repairs.

##### Application of Rent Credits

In no event shall rent credits available for any one month be greater than one half of the Base Rent otherwise payable to the Port for that same month.

##### Assignment and Subletting

Subject to Port's reasonable approval of assignment or subletting, the Port will receive 50% of the sums received by the Tenant in excess of rent less subletting or assignment expenses.

##### Affirmative Action

An Affirmative Action Plan, as approved by the Port, for construction and hiring will be incorporated in the Lease. Thirty percent of all construction costs must inure to benefit MBE, WBE, and DBE contractors.

#### SUMMARY

The nature of the proposed use, a full service maritime recreation center and the anticipated improvements and repairs to the Pier 38 facility, together with enhanced public access to the waterfront, are consistent with the proposed Waterfront Land Use Plan and represent a significant benefit to the Port, City and County of San Francisco.

## PORT OF SAN FRANCISCO

### Memorandum



**Date:** March 7, 1996

**To:** Eve Sternberg  
Budget Analyst's Office  
Board of Supervisors

**cc:** Frederick D. White  
Veronica Sanchez

**From:** Nicolas J. Dempsey

**Re:** Proposed Lease, Pier 38  
Maritime Recreation Center

By telephone, you have requested that the Port document its direct marketing efforts relative to the possible occupancy and development of the Pier 38 pier and bulkhead facility.

Until March of 1991, the entirety of the Pier 38 facility was occupied by Service Engineering Co., an in-water ship repair facility. That operation was subsequently moved to Pier 50, south of China Basin.

Following Service Engineering Company's departure, the Pier Shed and Bulkhead offices were added to the Port's BIFLAVACA. The BIFLAVACA is the Port's internal vacancy/available report and is utilized by the Port's leasing staff to match the space requirements of prospective tenants with available and suitable Port properties.

Unfortunately, the physical condition of the Pier 38 substructure and above water improvements was so wanting as to preclude continued interest by tenants requiring even basic open bay Shed Space for storage or other similar purposes. The roof leaked and was incapable of handling the smallest of rain showers. The concrete on the southern walls of the Shed was sloughing off to the point that the internal steel reinforcing system was rusting. The offices lacked sufficient power. In addition, the leasing of a portion of the Bulkhead Building to the San Francisco Redevelopment Agency as a part of the South Beach Marina project resulted in an elimination of code-required secondary exiting corridors for the second floor Bulkhead offices.

Eve Sternberg  
March 7, 1996  
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As a result, the only tenants willing to lease space (temporary or long term) were the San Francisco Municipal Railway and the Southern Waterfront Transportation Project General Contractor, Stacey/Whitbeck. Muni had a temporary need (6 months) for covered storage for out-of-service and out-of-repair buses, awaiting dismantling. Stacy/Whitbeck construction needed a small field office for the Southern Waterfront Transportation Project and leased 1,500 square feet of Bulkhead office space.

A small portion of the Pier Apron and Stringer was licensed to the ship Clean Bay II as a "parking" space for this oil spill response vessel.

In an effort to more aggressively market the facility, the Port chose Pier 38 as the first location to display the Port's new "Available" signs and included the facility in its direct mail program to the San Francisco Bay Area real estate brokerage firms. These efforts in 1993-4 coupled with the Port's press releases in September of 1993 announcing the Port's new real estate leasing commissions generated significant and varied interests in the Pier 38 facility.

However, In every instance, save the instant proposal, each inquiry involved development proposals that were inconsistent with either existing use restrictions or the Draft Waterfront Land Use Plan, or both.

Proposition H, an initiative passed by the voters in 1990 mandated the creation of a Waterfront Land Use Plan controlling the future development of the Port's Waterfront properties. The final Draft Waterfront Land Use Plan as approved by the Port Commission restricts the use of Pier 38 to primarily maritime and recreational maritime uses. (See attached "Acceptable Land Use Table: South Beach/China Basin". Hotels, General Office Buildings and similar commercial and general retail opportunities are not permitted.

The Port's Director of Tenant and Maritime Services and the Port's leasing staff received numerous inquiries from real estate brokers wanting to lease the facility for redevelopment as hotels, office buildings, live-work lofts, residential apartments and similar unacceptable uses. One proposal was for an education center in connection with a "Dinosaur Amusement Park".

Most of the dozens of inquiries involved office and/or hotel development of the entire pier. Many inquiries involved restaurant use of only the southernmost portion of the Bulkhead Building along its Embarcadero frontage.

When the Pier 38 Maritime Recreation Center proposal was received by the Port's leasing staff direct inquiries were made of other Bay Area marina operators to determine if there was sufficient alternative maritime interest to warrant a Request For Proposal (RFP) for such a use.

This writer contacted the following Marina operators who responded to our phone inquiries

Hunting Gate Group, Alameda  
Fortman Marina, Alameda

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Clipper Yacht Harbor, Sausalito  
Grand Marina, Alameda  
Kappas Marina, Sausalito  
Oyster Point Marina, South San Francisco  
New Bridge Marina, Antioch

Several other marina operators (Loch Lomond Marina, San Rafael; Schoonmaker Point, Sausalito; Richmond Marina, Richmond) did not return calls after we left voice-mail messages.

While there was interest in any opportunity to develop an in-water conventional marina, none of those contacted were interested in operating a dry boat storage facility, and boat chandlery or boat sales facility or other use of the Pier facility.

This lack of interest was expressed without their knowing the physical condition of the pier and the projected costs to repair the substructure and above water improvements.

In the mean time, the Port had twice Issued Requests for Proposals (RFP) for the leasing and redevelopment of the Mission Rock Resort restaurant and marina at 817 Terry Francois Blvd (nee' China Basin Street). The poor physical condition and high inherent costs to bring that much smaller facility and 23 boat marina up to code in conjunction with the rental structure and short (10 years) lease term resulted in no acceptable bids.

A similar Request for Proposals for the use of Pier 48, south of China Basin, resulted in no responsive bid proposals.

This experience caused the Port to ask of itself whether or not any alternative proposals for Pier 38 would be economically feasible given the fact that a change of use would necessarily trigger a structural and seismic upgrading of the facility. It was determined that the Port would undertake a structural analysis of the Pier structure and substructure. That analysis is attached for your review. It indicates that nearly \$2.4 million dollars would be required to restore the Pier apron and fendering systems. An additional \$210,000.00 was projected for roof repairs and replacement. An ongoing study indicates that the replacement of a percentage of pier sub-structure pilings in the low teens will be necessary. This will involve substantial sums in the mid six figure range. No analysis has been prepared relative to the restoration of the Shed exterior walls.

While there is no doubt that the offering of this facility for non-maritime uses (which would be unacceptable to the Port and the Draft Waterfront Land Use Plan) would result in many proposals, there are few if any parties with the vision to develop the pier consistent with the community's expressed wishes as expressed by Proposition H and the Draft Waterfront Land Use Plan.

In addition the Port has other possible suitable facilities on the Southern Waterfront that could be made available for competing uses if sufficient demand were to develop.

Eve Sternberg  
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The San Francisco Port Commission has adopted a policy that commercial development opportunities along the waterfront should be subject to competitive bidding unless the project involves maritime use and to do so would prove impractical or infeasible. It is the finding of the Port Commission that the existing condition of the Pier 38 facility is such that competitive bidding for maritime uses consistent with the Draft Waterfront Land Use Plan and providing for the unique combination of dry boat storage, transient berthing, chandlery, new and used boat sales, dining and enhanced public areas would prove infeasible and impractical. The Port's leasing, Planning and Development staffs concur.

G:\WP51\WEMOS\ESTERNBERG\ND\ND\ve\March 7, 1996



PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 96-20

- WHEREAS, Charter Section 3.581 grants to the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and
- WHEREAS, Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. (collectively "MRC") have proposed to develop a full service maritime recreation center at Pier 38; and
- WHEREAS, The proposed use of Pier 38 as a maritime recreation center is consistent with the uses permitted in the Draft Waterfront Land Use Plan previously approved by the Port Commission;
- WHEREAS, Staff has negotiated all of the terms and conditions of a proposed lease with MRC; and
- WHEREAS, On December 21, 1995, the Department of City Planning issued for public review and comment a Preliminary Negative Declaration, Case No. 95-546E for the proposed Pier 38 Maritime Recreation Center and on February 2, 1996 the Negative Declaration was finalized; and
- WHEREAS, The Port Commission has determined that given the unique nature of the use, and for the reasons set forth in the Memorandum to the Port Commission for Agenda Item 5C for the Port Commission meeting on February 13, 1996, a request for proposals for a Lease would prove both impractical and infeasible; now therefore, be it
- RESOLVED, That this Port Commission has considered and reviewed the Final Negative Declaration and hereby adopts said Final Negative Declaration and hereby finds that the Pier 38 Maritime Recreation Center described therein will have no significant impact on the environment, and adopts and incorporates herein by reference thereto, the findings of the Final Negative Declaration, Case No. 95-546E, issued by the Department of City Planning, a copy of which is on file with the Secretary of the Port Commission; and be it further

Resolution No. 96-20  
Page 2 of 2

RESOLVED, That the San Francisco Port Commission hereby approves entering into Lease No. L-12120 with Carl Ernst Jr. and Pier 38 Maritime Recreation Center, Inc. substantially on the terms and conditions outlined in the Memorandum to the Port Commission for Agenda Item 5C for the Port Commission meeting on February 13, 1996 and as more fully contained in said lease; and further, be it

RESOLVED, that the Executive Director is hereby directed to forward Lease No. L-12120 to the Board of Supervisors of the City and County of San Francisco for approval by ordinance pursuant to City Charter Section 7.402-1.

*I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 13, 1996.*

Amelia De la Cruz  
Secretary

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## Pier 38 - Improvements Budget - Phase 1 (24 Months)

ITEM	BUDGET	
A. Main Building - Boat Storage		
Boat Racks	\$	300,000
Firesprinklers	\$	150,000
Roofing	\$	150,000
Painting	\$	100,000
Structural Repairs	\$	100,000
Electrical & Lighting	\$	100,000
Boat Launch System	\$	100,000
Misc. Plumbing	\$	15,000
Misc. Repairs	\$	25,000
Misc. Door & Window Repair & Replacement	\$	50,000
Entry Gate & Railings	\$	15,000
Misc. Demolition	\$	25,000
Fuel Storage/Pump	\$	15,000
Subtotal		\$ 1,145,000
B. Transient Dock/Floats/Promenade		
Deck/Fender Repair	\$	150,000
Stairs/Gangways	\$	150,000
Floats/Piles	\$	250,000
Safety Railings	\$	50,000
Subtotal		\$ 600,000
C. Retail Buildout		
Bar/Restaurant (2,000 s.f.)*	\$	40,000
Equipment for Bar/Restaurant*	\$	25,000
Boat Showroom (3,500 s.f.)*	\$	35,000
Chandlery (1,500 s.f.)*	\$	30,000
Subtotal		\$ 130,000
D. Misc.		
Management Office	\$	30,000
Restrooms/Changing Facilities	\$	40,000
Sewage pumpout	\$	15,000
Subtotal		\$ 85,000
E. Other		
Architectural*	\$	40,000
Engineering*	\$	50,000
Permits & Fees	\$	25,000
Insurance etc.	\$	25,000
Construction Management	\$	120,000
Subtotal		\$ 260,000
Total		\$ 2,220,000
Less Amount Not Eligible For B & W Loan		\$ 220,000
Amount Of Boating & Waterways Loan		\$ 2,000,000

Pier 38 - Improvements Budget - Phase 2 (Year 4)

ITEM	Budget
Bar/Restaurant Expanded to End of Pier (5000 s.f.)	\$ 450,000
Remodel/Expand Showroom	\$ 100,000
Remodel/Expand Chandlery	\$ 50,000
Additional Structural Repairs	\$ 100,000
Additional Fender Repair/Replacement	\$ 100,000
Misc. Repairs	\$ 40,000
Architectural & Engineering	\$ 50,000
Permits & Fees	\$ 25,000
Insurance etc.	\$ 25,000
Construction Management	\$ 60,000
Total	\$ 1,000,000

Pier 38 - Improvements Budget - Phase 3 (Year 8)

ITEM	Budget
Repair & Replace existing Fender & Deck	\$ 700,000
Misc. Structural Repairs	\$ 200,000
Architecture & Engineering	\$ 25,000
Permits & Fees	\$ 15,000
Insurance etc.	\$ 20,000
Construction Management	\$ 40,000
Total	\$ 1,000,000

## City and County of San Francisco

## Real Estate Department

Office of the  
Director of Property

March 8, 1996

S. F. Port Commission  
Proposed Lease at Pier 38Harvey Rose  
Budget Analyst  
1390 Market St., Suite 1025  
San Francisco, CA 94102

Dear Mr. Rose:

This is to confirm my conversation with Eve Sternberg of your staff regarding the proposed lease at Pier 38 by the San Francisco Port Commission.

Based on the information your office supplied, it appears that a competitive bid process for this particular site is impractical for the following reasons: (1) Pier 38 has been vacant for a long period of time, even after an extensive marketing effort; (2) Pier 38 needs substantial repairs which the Port is unable to provide, and a negotiated lease seems to be a reasonable approach to obtain a financially responsible tenant who is able to provide the needed improvements; and (3) there are additional rental opportunities on other vacant pier sites.

As to the fair market rental value of the proposed lease, we have no comment since we are not familiar with the economics of Port maritime leases.

Sincerely,

A handwritten signature in dark ink, appearing to read "Harry J. Quinn", with a long, sweeping horizontal line extending to the right.

Harry J. Quinn  
Assistant Director of Property

HQ:lc:\Pier38.doc\Ltr.3.8.96



Item 5 - File 93-96-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of February 27, 1996.

**Department:** Department of Human Resources

**Item:** Ordinance adopting and implementing the provisions of an arbitrator's award under the Memorandum of Understanding regarding the compensation of 5273 Principal Architect, 5270 Senior Architect, 5268 Architect, 5266 Architectural Associate II, 5265 Architectural Associate I, 5275 Senior Landscape Architect, and 5274 Landscape Architect, between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO, and the City of San Francisco, to be effective retroactive to July 1, 1993, through June 30, 1998.

**Description:** In FY 1993-94, the City approved a new Memorandum of Understanding (MOU) with the International Federation of Professional and Technical Engineers, Local 21, and, at the same time, submitted to arbitration a disagreement between the City and the union over whether the Architect and Landscape Architect classes covered under the MOU should receive pay parity adjustments to set their compensation levels on a par with those of the Engineer classes. Further negotiations between the City and Local 21 beginning in 1994 delayed the arbitration process but failed to produce an agreement, and the matter was finally returned to arbitration, and a decision issued, in December of 1995.

The arbitrator's decision in this matter provides that the Architect classes will receive pay parity adjustments to set their compensation levels on a par with those of the Engineer classes. Such increases range from 1.4 percent to 11.23 percent. The position of Architectural Associate I was determined to be already receiving compensation on a par with the comparable Engineering class. Therefore, the salary level for this position was not changed by the arbitration award. The arbitrator's decision provides that the Landscape Architect classes will not receive pay parity adjustments, but instead will receive a salary increase previously proposed by the City of 3.5 percent for Landscape Architects and 4 percent for Senior Landscape Architects. All awards are retroactive to the effective date of the MOU, which was July 1, 1993.

The classifications, numbers of employees, and the annual salary at the top step for the classes affected by this

Memo to Government Efficiency and Labor Committee  
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arbitration award are listed below. In addition, the overall percentage increase under the arbitration award, which includes increases associated with the prior fiscal years affected by the award (FY 1993-94, FY 1994-95), as well as the current fiscal year, (FY 1995-96), is shown.

Class	Title	Number of Positions in 1995-96 Annual Salary Ordinance	Annual Salary at the Top Step	Total Increased Percentage in Salaries Awarded
5273	Principal Architect	1	\$93,882	11.23
5270	Senior Architect	13	81,119	8.60
5268	Architect	34	70,079	3.43
5266	Architectural Associate II	24	60,526	1.40
5265	Architectural Associate I	10	51,025	0*
5275	Senior Landscape Architect	1	72,897	5.00
5274	Landscape Architect	2	62,666	4.53

\* As noted above, this salary level was not changed by the proposed arbitration award.

**Comment:**

1. The Controller's Office has provided the following estimate of the cost of the salary increases which would result from the proposed arbitration award:

		<u>Amount of Increase in Annual Salaries</u>			
Class	Title	Fiscal Year 1993-94	Fiscal Year 1994-95	Fiscal Year 1995-96	Total
5273	Principal Architect	\$7,246	\$7,246	\$7,753	\$22,245
5270	Senior Architect	79,716	79,716	87,394	246,826
5268	Architect	55,619	55,619	71,918	183,156
5266	Arch. Associate II	6,245	6,245	16,562	29,052
5275	Sr. Landscape Arch.	2,746	2,746	3,320	8,812
5274	Landscape Architect	4,224	4,224	5,175	13,623
Salaries Total		\$155,796	\$155,796	\$192,122	\$503,714
Fringe Benefits (17.5 percent)		27,342	27,342	33,718	88,402
TOTAL		\$183,138	\$183,138	\$225,840	\$592,116

2. The Budget Analyst concurs with the Controller's estimate of the cost of the proposed arbitration award.

3. Mr. Jonathan Holtzman of the City Attorney's Office advises that, in the opinion of the City Attorney, the arbitrator's decision in this case is a binding and valid award,

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**BUDGET ANALYST**

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and, therefore, the proposed ordinance should be approved by the Board of Supervisors.

**Recommendation:** In accordance with the advice of the City Attorney's Office, approve the proposed ordinance.



Item 6 - File 25-96-2

**Department:** Office of the Controller

**Item:** Resolution concurring with the Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Janitorial Services at 160 South Van Ness  
(Payroll/Personnel Services Division)

**Description:** Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for janitorial services for FY 1996-97 would result in estimated savings as follows:

<u>City-Operated Service Costs</u>	
Salaries	\$25,528*
Fringe Benefits	<u>6,382</u>
Total	\$31,910

<u>Contractual Services Cost</u>	
Services of Contractor	\$10,980
Supplies provided by the City	<u>5,020</u>
Total	\$16,000

<u>Estimated Savings</u>	\$15,910
--------------------------	----------

\* Salary is calculated on the basis of one Department of Public Works staff person working approximately 20 hours per week, plus materials and supplies.

**Comments:**

1. Janitorial services were first certified as required by Charter Section 8.300-1 in 1983 and have been provided by an outside contractor since then.
2. The current contract, which expires June 30, 1996, is with Custodian Janitorial Services. Custodian Janitorial Services is a MBE/LBE firm, and this firm does not provide health insurance for its employees.

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3. According to Mr. Cesar Borja of the Controller's Office, the Controller will initiate a formal Request for Proposal (RFP) process, pending approval of the proposed resolution.

4. The Contract Service Cost of \$16,000 is based on the current contract for Fiscal Years 1994-95 through 1995-96 with Custodian Janitorial Services, and includes custodial services five days a week, excluding holidays.

5. The Controller's supplemental questionnaire with the Department's responses, including MBE/WBE status of the contractor, is attached.

**Recommendation:** Approve the proposed resolution.

## Charter 8.300-1 (Proposition J) Questionnaire

Department: Controller's Payroll/Personnel Services DivisionContract Services: Janitorial ServicesTime Period: July 1, 1996 through June 30, 1998

- 1) Who performed services prior to contracting out?  
*Services have always been contracted out.*
- 2) Number of City employees laid-off as a result of contracting out?  
*None*
- 3) Explain disposition of employees if they were laid off.  
*Not applicable*
- 4) What percent of City employee's time is spent on services to be contracted out?  
*0.2%*
- 5) How long have services been contracted out?  
*Thirteen (13) years contractual services since Sept., 1983.*
- 6) What was the first fiscal year for Proposition J Certification?  
*Fiscal Year 1983-84*
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?  
*The current services are provided by a firm that is a Minority Business Enterprise (MBE).*
- 8) Does the proposed contract require that the contractor provide health insurance for it's employees? Even if it is not required, does the proposed contractor provide health insurance employees?  
*No. The current contractor does not provide health insurance.*

Howie Bogard  
Department Representative

Howie Bogard, Payroll Manager  
(Type Name, Title)

558-7864  
Telephone



Memo to Government Efficiency and Labor Committee  
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Item 7 - File 47-95-13.1

**Department:** Real Estate Department  
Department of Parking and Traffic (DPT)

**Item:** Resolution confirming award of the Management Agreement for operation of the Lombard Street Garage to Pacific Park Management.

**Description:** The proposed resolution would confirm the award of a Management Agreement for the Lombard Street Garage to Pacific Park Management. The Lombard Street Garage is a City-owned parking facility of 205 spaces, located at 2055 Lombard Street between Fillmore and Webster. The Management Agreement would be for a period of five years, from approximately April 1, 1996 to March 31, 2001.

The Department of Real Estate and the Department of Parking and Traffic have conducted a competitive bidding process for this Management Agreement. Five bids were received, with the firm names, bid percentages (percentage of gross revenues which will be paid to the contractor and to the City), and MBE/WBE status as follows:

<u>Firm</u>	<u>Percent of Gross Revenues Payable to Contractor/City</u>	<u>MBE/WBE Status</u>
Pacific Park Management	68.97 / 31.03	LBE/MBE
City Parking	87.4 / 12.6	LBE/MBE
Alright/Federal Auto Park (joint venture)	88.67 / 11.33	LBE/WBE
American Vantage	90.00 / 10.0	LBE/MBE
City Park	90.00 / 10.0	LBE

As shown above, Pacific Park Management is the high bidder for this Management Agreement, resulting in 31.03 percent of gross revenues being paid to the City. The City would also receive all Parking Taxes generated at the garage.

Under the proposed Management Agreement, Pacific Park Management will deposit all of the receipts from the Garage with the City on a weekly basis. On a monthly basis, the City will pay Pacific Park Management a fee amount corresponding to 68.97 percent of gross revenues (100 percent less the 31.03 percent retained by the City). From this fee amount, Pacific Park Management must pay the routine operating and maintenance expenses of the

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Garage. In addition, Mr. Kevin Hagerty of the Department of Parking and Traffic advises that the Management Agreement obligates Pacific Park Management to provide one full time security guard during the hours that the Garage is in operation, and \$50,000 worth of capital improvements consisting of new revenue control equipment such as cash registers, gate arms, and card readers. The City is responsible for certain specified, non-routine maintenance costs at the Garage.

**Comment:**

1. The Department of Parking and Traffic projects that, for FY 1996-97, the Lombard Street Garage will generate gross receipts of approximately \$379,612, including parking revenues of \$303,690 and Parking Taxes of \$75,922. Therefore, under the proposed Management Agreement, it is estimated that, in Fiscal Year 1996-97, the City would receive \$94,235 (31.03 percent of \$303,690) in parking revenues, plus \$75,922 in Parking Taxes, for a total of \$170,157. Pacific Park Management would receive approximately \$209,455 (68.97 percent of \$303,690).

2. Currently, the Lombard Street Garage is managed by Allright Parking, under a lease which has been extended on a month by month basis from its original expiration date of February 1, 1996, in order to allow sufficient time for the Real Estate Department and the Department of Parking and Traffic to competitively bid the Lombard Street Garage lease as a Management Agreement. Under the provisions of the current lease, Allright Parking receives 59.9 percent of the gross revenues generated by the Garage, and the City receives the remaining 40.1 percent of gross revenues, plus Parking Tax revenues. Allright Parking is responsible for operating and maintenance costs, with the exception of certain maintenance costs which are specified to be the responsibility of the City.

According to Mr. Ron Szeto of the Department of Parking and Traffic, in FY 1994-95, the Lombard Street Garage generated total receipts of \$361,612 including \$289,289 in parking revenues and \$72,323 in Parking Taxes, resulting in net parking revenues of \$173,284 paid to Allright Parking. The City received parking revenues of \$116,005, plus Parking Taxes of \$72,323, for a total amount of \$188,328.

3. Under the provisions of the proposed Management Agreement, any changes to the parking rates charged at the Lombard Street Garage are subject to approval by the Board of Supervisors. No changes to the rates at the



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Lombard Street Garage are proposed under the new  
Management Agreement.

**Recommendation:** Approve the proposed resolution.



Item 8 - File 97-96-9

1. The proposed ordinance would amend Section 16.157 of the Administrative Code to approve the City's FY 1996-97 Health Service System plans and rates of contribution as adopted by the Health Service Board to be paid by the members of the System. The members of the System are employees, retirees, and surviving spouses of former employees and retirees of the City and County of San Francisco, the San Francisco Unified School District, and the Community College District.

2. The Board of Supervisors previously adopted a resolution (File 78-96-1) setting the City's contribution to the Health Service Fund for FY 1996-97 at \$167.33 per month for each member. The City's contribution was established in accordance with Charter Sections 8.423 and 8.428, which set the average contribution rate based on a survey of the ten most populous counties in California. The City's contribution of \$167.33 per month (\$2,007.96 annually) represents a decrease of \$7.76 per month, or approximately 4.4 percent from the FY 1995-96 rate of \$175.09 per month (\$2,101.08 annually).

3. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Rael and Letson, Consulting Actuaries, in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. The proposed ordinance would establish member contribution rates for FY 1996-97 pursuant to Charter Sections 8.421 and 8.422. Charter Sections 8.421 and 8.422 require approval by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary according to: (1) whether or not a member is an active employee, retired employee, or surviving spouse; (2) whether or not that individual has Medicare coverage; and (3) which of the City's five health plans that individual elects to join. The actuarial report and details of the member contribution rates are contained in the Clerk's file.

4. The following plans will be offered in FY 1996-97:

- City Health Plan\*
- Kaiser Foundation Health Plan
- Aetna Health Plans of Northern California
- Health Net
- FHP/TakeCare
- PacifiCare (Secure Horizons)\*\*

\*Administered by the City's Health Service System.

\*\*A Medicare risk plan offered to retirees with Medicare Part A&B coverage.

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5. The total revenue from employer and member contributions for the health plans in 1996-97 is estimated to be \$139.7 million. A summary of the revenue sources is as follows:

	<u>Amount</u> <u>(Millions)</u>	<u>Percent</u> <u>of Total</u> <u>Contributions</u>
City and County Contribution		
- Current Employees	\$ 66.8	47.8%
- Retired Employees and Surviving Spouses	18.0	12.9
School District/ Community College District Contribution		
- Current Employees	18.0	12.9
- Retired Employees and Surviving Spouses	<u>6.9</u>	<u>4.9</u>
Total Employer Contributions	\$109.7	78.5
Employee Contributions	<u>30.0</u>	<u>21.5</u>
Total Contributions	\$139.7	100.0%

6. Of the total estimated employer contributions of \$109.7 million, approximately \$51.6 million or approximately 47 percent, would be contributed from the City's General Fund. The remaining \$58.1 million of employer contributions would be paid from the City's Special Funds (e.g., Airport, Port, Water Department and Hetch Hetchy) and from School District and Community College District revenue sources.

7. As previously noted, the decrease in the employer's (City's) contribution of \$7.76 per employee per month was established based on a survey of average contribution rates for the ten most populous counties in California in accordance with Charter Sections 8.423 and 8.428. As shown on the following page, the cost changes to employees range from a reduction of \$9.45 per month (\$113.40 annually) to an increase of \$21.20 per month (\$254.40 annually) depending on the health plan selected.

A comparison of the FY 1995-96 monthly rates for active and retired City employees with the proposed FY 1996-97 rates adopted by the Health Service Board and the monthly difference in costs are as follows:

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	1995-96 Monthly <u>Rates</u>	1996-97 Monthly <u>Rates</u>	Monthly Increase (Decrease)
<u>City Health Plan</u>			
Single Employee	\$ 10.83	\$12.87	\$2.04
Employee plus one dependent	160.86	159.27	(1.59)
Employee plus two dependents	260.24	269.47	9.23
<u>Kaiser Foundation Health Plan</u>			
Single Employee	2.16	2.49	0.33
Employee plus one dependent	159.04	153.47	(5.57)
Employee plus two dependents	264.01	254.56	(9.45)
<u>Aetna Health Plans of Northern California</u>			
Single Employee	2.16	16.90	14.74
Employee plus one dependent	150.40	166.87	16.47
Employee plus two dependents	248.57	269.77	21.20
<u>Health Net</u>			
Single Employee	2.16	3.16	1.00
Employee plus one dependent	153.57	159.24	5.67
Employee plus two dependents	253.34	262.52	9.18
<u>FHP/TakeCare</u>			
Single Employee	2.16	3.16	1.00
Employee plus one dependent	155.23	157.40	2.17
Employee plus two dependents	257.90	261.33	3.43
<u>PacificCare (Secure Horizon)*</u>			
Single Employee	0.00	0.00	-
Employee plus one dependent	19.58	22.17	2.59
Employee plus two dependents	-	-	-

\*Retired employee and dependent must have Medicare Parts A&B coverage.

A description of changes to health benefits under these plans is provided in the Attachment.

8. According to Mr. Randy Smith of the Health Service System of the Department of Human Resources, the Health Service Board has elected to subsidize employee rates for the City Health Plan by \$1.5 million, from the Health Service Trust Fund, for FY 1996-97 in order to make the City's Health Plan more competitive with the other HMO's offered to employees (Kaiser, Aetna, Health Net and FHP/TakeCare). Mr. Smith advises that the Health Service Trust Fund consists of approximately \$26.2 million of accumulated contingency funds generated from excess employee contributions plus approximately \$2 million annual interest. According to Mr. Smith, because these monies represent employee contributions,

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they cannot be used to off-set the cost of employer contributions. The City contribution (as described in Point No. 2 above) is set in accordance with Charter Sections 8.423 and 8.428.

9. The total estimated cost of \$139.7 million for the various health plans for FY 1996-97, including the employer and employee contributions, represents a decrease of approximately 0.4 percent or \$0.5 million from the FY 1995-96 costs of \$140.2 million.

10. The Health Service Board has continued offering three dental plans, Delta Dental, DentiCare, and Safeguard. According to Mr. Smith, as of February 1, 1996, a total of 21,230 employees are enrolled in City-paid dental plans for projected FY 1996-97. Total premiums (based on current membership) are approximately \$18.4 million or \$.8 million (4.2%) less than \$19.2 million for FY 1995-96. A summary of these costs is as follow:

	<u>Employee Membership</u>	<u>Projected 1995-96 Premiums</u>	<u>Projected 1996-97 Premiums</u>
Delta Dental	18,206	\$18,219,831	\$17,347,589
DentiCare	2,436	823,292	882,318
Safeguard	<u>588</u>	<u>169,218</u>	<u>169,218</u>
Total:	21,230	\$19,212,341	\$18,399,125

11. A comparison of the FY 1996-97 premium monthly rate schedules of the dental plans for employer contributions and the FY 1995-96 rates is as follow:

	<u>1995-96 Monthly Rates</u>	<u>1996-97 Monthly Rates</u>	<u>Monthly Increase (Decrease)</u>
<u>Delta Dental</u>			
Single Employee	\$ 41.81	\$ 41.47	\$(0.34)
Employee plus one dependent	77.13	73.17	(3.96)
Employee plus two dependents	124.04	116.77	(7.27)
<u>Denticare Dental Plan</u>			
Single Employee	19.18	17.94	(1.24)
Employee plus one dependent	25.90	27.64	1.74
Employee plus two dependents	38.35	43.77	5.42
<u>Safeguard Dental Plan</u>			
Single Employee	14.70	14.70	-
Employee plus one dependent	22.68	22.68	-
Employee plus two dependents	34.22	34.22	-

12. A choice of three dental plans that are fully paid for by retirees and active employees, who are not eligible for employer paid dental coverage, will also continue to be offered with no cost to the City. The three dental plans have reduced benefits in order to reduce the premium cost for plan participants. Active employees who are not eligible for employer paid dental coverage include bricklayers, glaziers, hod carriers, and painters.

13. The 1996-97 monthly premium rates of the dental plans with employee contributions are as follow:

	1995-96 Monthly <u>Rates</u>	1996-97 Monthly <u>Rates</u>	Monthly Increase (Decrease)
<u>Safehealth Dental Plan*</u>			
Single Employee	\$26.87	\$28.75	\$1.88
Employee plus one dependent	53.48	57.22	3.74
Employee plus two dependents	72.24	80.51	8.27
<u>Denticare Dental Plan</u>			
Single Employee	13.68	14.18	.50
Employee plus one dependent	18.25	18.92	.67
Employee plus two dependents	27.38	28.37	.99
<u>Safeguard Dental Plan</u>			
Single Employee	9.26	9.26	-
Employee plus on dependent	16.48	16.48	-
Employee plus two dependents	23.38	23.38	-

\*Safehealth replaced Delta Dental as the fee-for-service carrier in FY 1995-96.

### **Recommendation**

Approve the proposed ordinance.

### HEALTH PLAN BENEFIT CHANGES

A chemical rehabilitation benefit has been added for all covered active and retired employees and their family members.

The benefit provides for the following:

The benefit will cover up to 30 days per year of residential treatment at no charge to the patient. No more than 60 days will be covered in any five consecutive years. Outpatient rehabilitative services will be covered with a \$5 copayment per group or individual therapy.

#### CITY HEALTH PLAN

Preferred Provider Benefit Enhancement Changes are as follows:

	Effective 7-1-96	Current Benefit
1) Inpatient Surgery	\$25 copayment	\$100 copayment
2) Hospital based x-rays	\$5	\$25
3) Hospital based lab services	\$5	\$15
4) Outpatient consultation	\$10	\$25
5) Chiropractic Annual Limit	\$1,250	\$1,000
6) Acupuncture Annual Limit	\$1,250	\$750

Standard Plan Benefit Changes:

1) Diabetic Educational Services	70% of UCR outside PPO service area	Not covered
2) Annual Physical Examination (outside PPO service area)	80% of UCR covered charges	Not covered
3) Chiropractic Annual Limit	\$1,250	\$750
4) Acupuncture Annual Limit	\$1,250	\$750

All Medicare beneficiaries will have a \$1 office visit copayment and \$3 prescription drug copayment.

#### KAISER FOUNDATION HEALTH PLAN

All Medicare beneficiaries will have a \$1 office visit copayment and \$3 prescription drug copayment.

#### AETNA

All Medicare beneficiaries will have a \$1 office visit copayment and \$3 prescription drug copayment.

#### HEALTH NET

All Medicare beneficiaries will have a \$1 office visit copayment and \$3 prescription drug copayment.

#### PACIFICARE (SECURE HORIZON)

All Medicare beneficiaries will have a \$1 office visit copayment and \$3 prescription drug copayment.

## DENTAL PLANS

### 1996-97 Benefit Changes

#### EMPLOYER PAID DENTAL PLANS

There are no benefit changes to any employer paid dental plan.

Note: Dental benefits for transit operators, nurses, supervisory nurses and employees of the San Francisco Unified School District and San Francisco Community College District are provided through their union or employer respectively. The benefits of those dental plans may not be the same as the City provided dental plan.

**DELTA DENTAL, DENTICARE AND SAFEGUARD WILL CONTINUE TO BE OFFERED.**

#### EMPLOYEE PAID DENTAL PLANS

There are no benefit changes to any employee paid dental plan.

Safehealth Life, DentiCare and Safeguard Dental Plans will continue to be offered to retired employees and employees who are not provided employer paid dental coverage.

#### MEDICAL REIMBURSEMENT ACCOUNT

This new benefit (also called a Health Care Spending Account) authorized under Internal Revenue Code Section 125 will allow employees to allocate pre-tax dollars into an individual account and then to make claim for reimbursement of out of pocket eligible medical expenditures during the Plan Year.





Item 9 - File 186-96-1

**Item:** Hearing to consider the operations, management and financial activities of the Office of the Medical Examiner/Coroner.

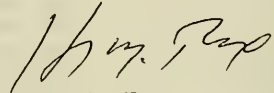
**Description:** The Chief Medical Examiner/Coroner, as a part of his job responsibilities, serves as an expert witness for court cases in, as well as outside the City and County of San Francisco. The Board of Supervisors sets the fees to be charged by the Chief Medical Examiner/Coroner for providing expert witness testimony in courts outside of the City. Since the City pays the Chief Medical Examiner/Coroner's salary while he works on court cases in other counties, pursuant to Section 8.14 of the Administrative Code, any fees collected by the Chief Medical Examiner/Coroner for providing such services to other counties, must be paid to the City.

The Government Efficiency and Labor Committee previously held a hearing on January 19, 1994 to consider the financial practices of the Medical Examiner/Coroner's Office in connection with the processing of checks received by the Chief Medical Examiner/Coroner from courts outside the City for providing expert witness testimony and consultation (File 327-93-1). In connection with that hearing, Dr. Boyd Stephens, Chief Medical Examiner/Coroner, previously reported that he had established a separate bank account at Bayview Federal Bank, to deposit such checks. Dr. Stephens advised that this bank account had been established in order to obtain reimbursement for his travel expenses, prior to remitting the fees due to the City. According to Dr. Stephens, he took this measure because the City had been extremely slow in reimbursing his travel expenses.

Mr. Harrington reports that the Controller's Office is in the process of reviewing the Chief Medical Examiner/Coroner's accounting records as they pertain to the deposit of checks for fees and travel expenses paid to Dr. Stephens by other counties for the provision of expert witness testimony and consultation. According to Mr. Harrington, based on the Controller's review thus far, it appears that the Medical Examiner/Coroner's Office is now depositing all such checks directly to the Controller's Office. Mr. Harrington advises that for FY 1995-96, the City has been paid \$6,094.08 in fees to date for outside services. According to Dr. Stephens, the bank account at Bayview Federal Bank has been inactive since October 10, 1994, when the last check was written against it. Mr. Harrington reports that he anticipates that the Controller's Office will complete its review of the Medical

Examiner/Coroner's Office accounting records in approximately two weeks.

Mr. Bill Lee, Chief Administrative Officer, advises that, in response to the recent allegations of misconduct and insensitivity on the part of Coroner's Investigators in their handling of the remains of various persons, he has assigned staff to review the policies and procedures governing the job duties as well as the training of the Coroner's Investigator positions. Mr. Lee anticipates that this review will take several weeks to complete.

  
Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Teng  
Supervisor Yaki  
President Shelley  
Supervisor Kaufman  
Supervisor Migden  
Supervisor Alioto  
Supervisor Bierman  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Sam Yockey  
Paul Horcher  
Ted Lakey

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
 BOARD OF SUPERVISORS  
 CITY AND COUNTY OF SAN FRANCISCO

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REGULAR MEETING

TUESDAY MARCH 26, 1996 1:00 P.M.VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 410

MEMBERS: Supervisors Tom Ammiano, Mabel Teng, Michael Yaki

CLERK: Mary Red

\* \* \* \* \*

## Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F Line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:  
 For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.  
 In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item.
  - (a) File 213-96-3. [Grants, Municipal Railway and Port Projects] Resolution authorizing the Public Transportation Commission to retroactively apply for, accept and expend \$71,488,041 of Federal Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement Program (CMAQ), Section 3, and Section 9 operating and capital assistance, and \$679,000 of State Transit Capital Improvement Funds, State Traffic Systems Management Funds, State-Local Partnership Program and \$6,947,400 from various local match sources such as from State Transit Assistance Funds, Transportation Development Act Funds, Bridge Toll Net Revenues, Regional Measure One Funds, Gas Tax Revenues, Transit Impact Development Fees, San Francisco Municipal Railway Improvement Corporation, Funds, and/or San Francisco County Transportation Sales Taxes for twelve Municipal Railway projects, and one Port of San Francisco project including \$2,115,602 of indirect costs. (Public Transportation Commission)
  - (b) File 143-96-1. [Alcoholic Beverage Control Grant Program] Resolution authorizing the Chief of Police of the City and County of San Francisco to retroactively apply for, accept, and expend funds in the amount of One Hundred Thousand Dollars (\$100,000.00) for a project known as the "Alcoholic Beverage Control Grant Program" and agreeing to provide a cash match in the amount of Forty Nine Thousand Seven Hundred Sixty-Three (\$49,763.00) Dollars. (Police Commission)

ACTION:

REGULAR CALENDAR

2. File 146-96-6. [Grant, Centralized Substance Abuse Treatment] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services to accept and expend an augmentation to a grant up to the amount of \$1,262,373 which excludes indirect costs from the United States Department of Health and Human Services, Center for Substance Abuse Treatment through the State of California, Department of Alcohol and Drug Programs to provide centralized substance abuse treatment enhancement and placement services in San Francisco as part of the "San Francisco Target Cities Project"; waiving indirect costs and providing for action previously taken. (Also see File 146-93-58.)  
(Supervisors Leal, Alioto) (Continued from 3/14/96)

ACTION:



3. File 97-96-12. [City Seal Authorization, Affinity Programs] Ordinance amending Administrative Code by adding Section 1.6-B authorizing the Clerk of the Board, upon recommendation of the Chief Administrative Officer to approve the use of the City Seal on the face of San Francisco affinity credit cards and San Francisco affinity pre-paid phone cards promoting the City and allowing San Francisco Affinity credit and pre-paid phone cards inscribed with the City Seal to be offered for sale. (Supervisors Migden, Bierman)

ACTION:

4. File 27-96-4. [Airport North Terminal Concession Lease] Ordinance approving the "North Terminal California Products Shop Lease" between Marilla Chocolate Company Inc. and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION:

5. File 27-96-5. [Airport Lease Modification, Delta Airlines, Inc.] Ordinance approving Modification No. 5 of Lease and Use Agreement between Delta Airlines, Inc. and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION:

6. File 65-96-3. [Friends of the Library Agreement, Lease, MOU] Ordinance approving a memorandum of understanding between the San Francisco Public Library and the Friends of the San Francisco Public Library for use of space in the new main library building for the performance of library-related services, generation of revenues for Library Department purposes, and assurance of private funds to provide support on an ongoing basis for the San Francisco Public Library System; and authorizing and approving certain agreements directly with such non-profit corporation as contemplated by such MOU, including a lease of office space and a lease of gift store space. (Supervisors Kaufman, Migden, Alioto)

ACTION:

7. File 13-96-9. [Garment Industry, HUD Guidelines] Resolution urging the U.S. Housing and Urban Development Department to revise the underwriting criteria to allow small business owners more accessibility to the Mayor's Office of Community Development revolving loan fund. (Supervisors Teng, Bierman, Alioto)

ACTION:

8. File 68-96-2. [Garment Industry, MOCD Revolving Loan Fund] Resolution establishing a minimum of one million dollars (\$1M) revolving loan fund of the U.S. Housing and Urban Development Section 108 funding to meet the needs expressed by small business owners in the garment industry. (Supervisors Teng, Bierman, Alioto)

ACTION:



9. File 65-96-4. [Land Lease, SFUSD – PTC] Ordinance authorizing and approving a thirty-five year lease with the San Francisco Unified School District, of certain school district property, located at Newcomer High School; and ratifying previous actions. (Public Transportation Commission)

ACTION:

10. File 93-95-1.1. [Amendment to MOU, Staff and Per Diem Nurses] Ordinance amending Ordinance No. 178-95 to implement the terms of an amendment to the Memorandum of Understanding between the Service Employees International Union, Local 790, AFL-CIO and the City and County of San Francisco for Staff Nurse and Per Diem Nurses extending the duration of the Memorandum of Understanding through June 30, 1997. (Department of Human Resources)

ACTION:

11. File 89-96-1. [SDI Coverage, 1364 Special Assistant V] Resolution authorizing enrollment of classification 1364 Special Assistant V into the State Disability Insurance Program. (Department of Human Resources)

ACTION:

12. File 89-96-2. [SDI Coverage, 1362 Special Assistant III] Resolution authorizing enrollment of classification 1362 Special Assistant III into the State Disability Insurance Program. (Department of Human Resources)

ACTION:

13. File 172-96-4. [Paratransit Broker Contract Amendment] Resolution approving amendment to Paratransit Broker Agreement with Cerenio Management Group. (Also see File 172-91-5). (Public Transportation Commission)

ACTION:

14. File 7-96-2. [Municipal Railway Evening Services] Hearing to evaluate and examine evening and night ridership on Municipal Railway buses throughout the City with the possibility of using smaller, less costly vehicles and/or re-routing of current patterns or shifting buses from low to high volume areas. (Supervisor Yaki)

ACTION:

15. File 107-95-4. [Child Welfare and Foster Care Programs] Hearing to consider San Francisco's child welfare and foster care programs. (Supervisors Ammiano, Bierman)

ACTION:

LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

16. File 46-96-5. [CCSF v. Ilitovich, et al] Ordinance authorizing settlement of the litigation of City and County of San Francisco v. Eugenie S. Ilitovich, et al., in the amount of Seventy Three Thousand Dollars (\$73,000). (Superior Court No. 968-593) (City Attorney)

ACTION:

17. File 48-96-10. [Settlement of Claim, Gary and Anita Godwin] Resolution approving the settlement of the unlitigated claim of Gary and Anita Godwin by payment of \$12,500. (City Attorney)

ACTION:

18. File 45-96-17. [Morales v. CCSF] Ordinance authorizing settlement of litigation of Epitacia Morales against the City and County of San Francisco by payment of \$40,000. (Superior Court No. 966-482). (City Attorney)

ACTION:

19. File 45-96-18. [Status of Litigation/Overman v. S.F.] Hearing to consider report on the status of pending litigation, Overman v. S.F. (Superior Court No. 970-936) (Supervisor Ammiano)

ACTION:

20. File 45-96-19. [Status of Litigation/Slade v. Stephens] Hearing to consider report on the status of pending litigation, Slade v. Stephens. (U.S. District Court No. 95-0675-SI) (Supervisor Ammiano)

ACTION:

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
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IMPORTANT  
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CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

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March 26, 1996

**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendations for meeting*  
**SUBJECT:** March 26, 1996 Government Efficiency and Labor Committee Meeting

Item 1a - File 213-96-3

**Department:** Public Transportation Commission (PTC)

**Item:** Resolution authorizing the Public Transportation Commission (PTC) to apply for, accept and expend retroactively \$72,167,041 from Federal and State grants and \$6,947,400 from various local matching sources, including \$2,115,602 of indirect costs, for a total project cost of \$79,114,441.

**Source of Funds:** Federal Section 9 Operating Assistance and Capital Assistance, Federal Section 3 Bus and Fixed Guideway Capital Assistance, Federal Surface Transportation Program/ Congestion Management Air Quality Capital Assistance, State Transit Capital Improvement Capital Assistance, and various local and regional funding sources as identified on the following page.

Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

**Grant Amount:**

Federal and State grants, including:	
Federal Section 9 Operating Assistance	\$5,769,441
Federal Section 9 Capital Assistance	28,425,600
Federal Section 3 Bus and Fixed Guideway Capital Assistance	25,500,000
Federal Surface Transportation Program Congestion Management Air Quality Capital Assistance	<u>11,793,000</u>
Federal Grants Subtotal	\$71,488,041
State Transit Capital Improvement Capital Assistance Subtotal	679,000

Local and Regional matching funds, including but not limited to:

State Transit Assistance funds	
Transportation Development Act funds	
Bridge Toll Net Revenues	
Regional Measure One funds	
Gas Tax revenues	
Transit Impact Development fees	
San Francisco MUNI Improvement Corporation funds	
San Francisco County Sales Tax	
Local And Regional matching funds Subtotal	<u>6,947,400</u>

**Total** **\$79,114,441**

**Grant Period:** Retroactive from October 1, 1995 through September 30, 1998 (three years)

**Description:**

The proposed resolution would authorize the PTC to apply for, accept and expend retroactively \$79,114,441 to fund 12 Municipal Railway projects and one Port of San Francisco project, which have been identified as priorities in the Municipal Railway Short-Range Transit Plan. The projects consist of the following:

Diesel Bus Rehabilitation	\$2,975,000
MUNI Metro Accessibility Improvements	4,591,000
Subway Signal System Replacement	4,000,000
Cable Car Reconstruction	903,750
LRV Modifications	7,999,750
Translink	4,528,000
MUNI Metro Turnback	24,500,000
LRV Replacement	7,785,000
Data Processing and Office Equipment	3,375,000
Ferry Building Improvements	1,000,000
Woods Annex at Islais Creek	2,000,000
Accessible Vans	2,062,500
24th & Utah Street Shop Replacement at 700 Pennsylvania	<u>7,625,000</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

Total Capital Project Costs	\$73,345,000
Total Operating Costs (see Comment 2)	<u>5,769,441</u>
<b>Total</b>	<b>\$79,114,441</b>

**Budget:**

The following is a summary budget of the total project costs for the 12 Municipal Railway projects and one Port of San Francisco project.

Capital Project Costs	
<u>Contractual Services</u>	
Consultant Services	\$11,457,631
Construction Contracts	<u>33,772,800</u>
Total Contractual Services	\$45,230,431

<u>City Personnel</u>	
In-House Design, Project Management/ Construction Management	2,503,891

<u>Equipment Purchase</u>	
Equipment for Translink, LRV Replacement and Data Processing/Office Equipment	13,398,350

<u>In-House Equipment Rehabilitation</u>	
Rehabilitation for LRV Modification, Diesel Buses, and Cable Car Renovation	<u>10,096,726</u>
Subtotal Capital Project Direct Costs	\$71,229,398

<u>Administrative Overhead (see Comment 1)</u> (approximately 3.0 percent of direct costs)	<u>2,115,602</u>
Subtotal	\$73,345,000

Operating Costs (see Comment 2)	<u>5,769,441</u>
(Federal Section 9 Operating Assistance for the period from July 1, 1995 to June 30, 1996. These funds are included as a source of revenue to balance the budget for MUNI.)	

<b>Total</b>	<b>\$79,114,441</b>
--------------	---------------------

**Required Match:** \$6,947,400

**Indirect Costs:** None (See Comment 1)

**Comments:** 1. Although the title and the body of the proposed resolution includes \$2,115,602 in indirect costs, according to Ms. Gail Bloom of MUNI, these funds will be accrued directly to MUNI rather than the General Fund to pay for

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

administrative overhead costs. Therefore, the title and the body of the proposed resolution should be amended to reflect that \$2,115,602 of the total \$79,114,441 in project costs will be used for administrative overhead costs and not indirect costs.

2. Attachment I is a memo from Ms. Gail Bloom of MUNI which states that, as of the writing of this report, the PTC was unable to provide budget details for the 13 projects, including Contractual Services (\$45,230,431), City Personnel (\$2,503,891), Equipment Purchases (\$13,398,350), In-House Equipment Rehabilitation (\$10,096,726), and Administrative Overhead (\$2,115,602). Ms. Bloom has requested that these amounts, totaling \$73,345,000, be placed on reserve. As such the proposed resolution should be amended to reserve \$73,345,000, of the \$79,114,441 grant fund amount, pending the submission of budget details for each of the 13 projects. The \$5,769,441 balance of the \$79,114,441 represents Federal Section 9 Operating Assistance funds that are formula-based resources that may be used for eligible planning, capital and operating purposes. The \$5,769,441 in Section 9 Operating Assistance funds already have been included in MUNI's FY 1995-'96 operating budget and are being used as a source of revenue to balance MUNI's budget.

3. Ms. Bloom advises that MUNI is using \$1,000,000 of the \$25,500,000 in Federal Section 3 Bus and Fixed Guideway Capital Assistance grant funds for the Port of San Francisco's Ferry Building Improvements project. The Port of San Francisco will be using the \$1,000,000 in Federal grant funds as a source of revenue for the above-mentioned project. This project will restore the Ferry Building to its original use as a transportation terminal, connecting the region's ferry transit network with multiple modes of transit, including MUNI, BART and Amtrak. The total estimated cost of the Ferry Building Improvement project is \$72,153,300, as projected in MUNI's Capital Improvement Program (July 1, 1995-June 30, 2005).

4. Ms. Bloom advises that the grant application has already been submitted for the proposed grant funds and that expenditures have been incurred against the proposed grant funds. As such the proposed resolution authorizes the PTC to apply for, accept and expend the grant funds retroactively.

5. Attachment II is the Grant Application Information Form, as prepared by MUNI, for the proposed Federal and State grant funds.

Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

6. MUNI has prepared Disability Access Checklists for the proposed grant programs, which are on file with the Clerk of the Board.

- Recommendation:**
1. Amend the proposed resolution to reflect that \$2,115,602 of the total \$79,114,441 in project costs will be used for MUNI administrative overhead costs and not indirect costs.
  2. Amend the proposed resolution to reserve \$73,345,000 of the total amount of \$79,114,441.
  3. Approve the proposed resolution as amended.



1155 Market Street, 5th Floor ■ San Francisco, CA 94103 ■ (415) 554-0785



March 21, 1996

Ms. Michele Sampogna  
Board Of Supervisors  
Budget Analyst  
1390 Market Street, Suite 1025  
San Francisco, California 94102

Subject: Board of Supervisors File 213-96-003

Dear Michele:

Thank you for your assistance in evaluating these grants and projects. MUNI staff are unable at this time to provide complete budget details for all aspects of each project included in the proposed legislation. I request that the total capital project budget of \$73,345,000 be placed on reserve pending additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Gail Bloom", with a long, sweeping horizontal line extending to the right.

Gail Bloom

cc: Nancy Whelan  
Arnold Baker  
Jerry Levine  
Chron

j:\data\mcap\shortterm\michele

**GRANT APPLICATION INFORMATION FORM**

**A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant**

**To: The Board of Supervisors  
Attn: Clerk of the Board**

**The following describes the grant referred to in the accompanying resolution:**

**Department:** 35 Public Transportation Commission - MUNI

**Contact Person:** Fred Howell **Telephone:** (415) 923-2579

**Project Title:** Grant Application for twelve MUNI and one PORT Capital Projects and  
FY95 Operating Assistance

**Grant Source:** Various state, federal, regional and local funds

**Proposed (New/Continuation) Grant Project Summary:**

- o Diesel Bus Rehabilitation
- o Subway Signal System Replacement
- o Light Rail Vehicle Purchase
- o MUNI Metro Accessibility Improvements
- o Cable Car Vehicle Rehabilitation
- o Woods Annex at Islais Creek
- o Accessible Vans
- o 24th & Utah Shop Replacement at 700 Pennsylvania
- o Light Rail Vehicle Modifications
- o Data Processing, Office, and other Miscellaneous Equipment
- o MUNI Metro Turnback
- o Translink
- o Ferry Building Intermodal Improvements

**Proposed Operating Grant:**

- o FY95 Operating Assistance

**Amount of Federal Grant Funding Applied for:** \$71,488,041



To: The Board of Supervisors  
Attn: Clerk of the Board  
Page 2

Amount of State Grant Funding Applied for: \$679,000

Amount of Local and Regional Matching Funds Applied for: \$6,947,400

Maximum Funding Amount Available: Not Applicable

Number of Positions Created and Funded: Not Applicable

Amount to be Spent on Contractual Services: \$58,628,781

Will Contractual Services be put out to Bid? Yes

Term of Grant: Not Applicable

Date Department Notified of Available funds: Not Applicable

Application Due Date: Not Applicable

Philip Adams For

Department Head Approval

Philip H. Adams  
Director, Public Transportation

Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

Item 1b - File 143-96-1

**Department:** San Francisco Police Department (SFPD)

**Item:** Resolution authorizing the Chief of Police to retroactively apply for, accept and expend funds in the amount of \$100,000 for a project known as the 'Alcoholic Beverage Control Grant Program' and agreeing to provide a cash match in the amount of \$49,763.

**Grant Amount:** \$100,000

**Required Match:** None. However, the SFPD is dedicating an in-kind match of one Q2 Police Officer (included within the SFPD's FY 1995-96 budget) who would be responsible for coordinating and administering the program (See Comment #6).

**Grant Period:** January 1, 1996 through December 31, 1996

**Source of Funds:** State of California Department of Alcoholic Beverage Control (ABC) Funds

**Project:** Alcoholic Beverage Control Grant Program

**Description:** The proposed grant funds would be used to develop an Alcoholic Beverage Control (ABC) Program which would identify and target retail businesses (e.g. restaurants, bars and markets) which have licenses to sell alcoholic beverages both on-site and off-site at various locations within the City. The objective of the program is to determine if such businesses are being conducted in a disorderly manner, and take appropriate enforcement action to gain compliance with the law if such businesses are not operating in an orderly manner. Disorderly conduct would include narcotic trafficking, gambling, alcohol-related offenses and other crimes impacting the quality of life.

Currently, the SFPD reports that the Department's alcohol-related enforcement has been substantially limited to reactive enforcement-response based primarily on complaints made by citizens which result in calls for Police services. The proposed grant funds would be used to establish a proactive Alcoholic Beverage Control program which would include the following activities:

- Identification of retail business establishments which have a large number of calls for service and arrests based upon incidence reports;

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
 March 26, 1996 Government Efficiency and Labor Committee Meeting

- Conduct investigations and "Driving Under the Influence" (DUI) checkpoints, DUI arrests and decoy activities;
- Develop and implement an on-going enforcement procedure and training program for sworn officers;
- Establish liaisons with the State Alcoholic Beverage Control Office to identify alcohol-related crimes and enforcement activities;
- Establish community-support for the program through community meetings at neighborhood districts throughout the City.

**Budget:**

Personnel

Police Officer (1 FTE)	\$49,763	
Overtime (1,400 hrs. for Police Officers at @ \$38.11 per hour and 1,000 hours for Sergeants at @ \$44.20 per hour)	<u>97,550</u>	
Subtotal Personnel		\$147,313

Equipment

Audio Taperecorders (five at \$150 each)	\$750	
Polaroid Cameras (five at \$60 each)	300	
Binoculars (two at \$150 each)	300	
Audio Tapes, batteries and film	<u>300</u>	
Subtotal Equipment		1,650

Travel

Roundtrip Airfare to Los Angeles (2 trips for one officer), including Meals, Lodging and Expenses	<u>800</u>
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<b>Total Project Budget</b>	<b>\$149,763</b>
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<b>Less In-Kind Match (See Comment #6)</b>	<b><u>(49,763)</u></b>
--	------------------------

<b>Total Grant Amount</b>	<b>\$100,000</b>
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**Indirect Costs:**

The grantor does not allow the inclusion of indirect costs for the proposed grant funds. Therefore, the proposed resolution should be amended to waive indirect costs under this grant.

**Comments:**

1. The \$1,650 budgeted for Equipment would be used to purchase audio tapes, binoculars and cameras to be used in surveillance activities.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. The \$800 budgeted for Travel would be used for one Officer to attend one required training session and one symposium sponsored by the State ABC. Both the training session and the symposium are to be held in Los Angeles.

3. Attachment 1 is the "Summary of Grant Request" completed by the SFPD.

4. Attachment 2 provided by the Police Department explains in detail why the Department requires the personnel portion of this program to be operated on an overtime basis, with overtime costs representing 66 percent of total personnel costs.

5. If the proposed project becomes an ongoing activity within the SFPD, the Department should consider the reallocation of existing staff from within the SFPD rather than using overtime dollars to perform these activities.

6. The proposed legislation specifies that the SFPD would agree to provide a cash match in the amount of \$49,763. However, according to Sgt. John Bisordi of the SFPD, the State does not require that a cash match be provided, but rather the SFPD is reassigning one Q2 Police Officer to the program who would be responsible for coordinating and administering the program. Therefore, the proposed resolution should be amended to delete reference that required cash matching funds in the amount of \$49,763 would be provided.

7. The Disability Access Checklist is on file with the Clerk of the Board.

**Recommendations:** 1. Amend the proposed resolution to waive indirect costs.

2. Amend the proposed resolution to delete reference that cash matching funds in the amount of \$49,763 would be provided.

3. Approve the proposed resolution as amended.

4. Direct a letter to the SFPD which requests that, if a proactive Alcoholic Beverage Control Program becomes an ongoing activity within the SFPD, the Department should consider minimizing the use of overtime for such an ongoing program.

Director: Ca. Alcoholic Beverage Control  
 Contact Person: Mr. Jerry Jolley  
 Address: 3810 Rosin Ct., Suite 150  
Sacramento, CA 95834  
 Amount Requested: \$ 100,000.00  
 Term: From 01-01-96 To 12-31-96  
 Health Commission: \_\_\_\_\_ Board of Supervisors: Finance Committee  
 Full Board: \_\_\_\_\_

Division: D Special Investigations  
 Section: Vice Crimes  
 Contact Person: Insp. Michael Curran  
 Telephone: (415) 553-1426  
 Application Deadline: 10-20-95  
 Notification Expected: 11-10-95

Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$100,000.00 from the period of 01-01-96 to 12-31-96 to provide alcohol related law enforcement services.

I. Summary: (Concise history; need addressed; number + groups served; services and providers)

Proposed project includes identifying and targeting locations within the City, currently holding liquor licenses, which conduct themselves in a disorderly manner, and taking appropriate enforcement actions to gain compliance of the law. Disorderly conduct includes but is not limited to narcotic trafficking, gambling, alcohol-related offenses, and crimes impacting quality of life.

II. Outcomes/Objectives:

Objective is to gain compliance of law from those establishments identified as operating in a disorderly manner. Project is intended to reduce related crimes associated with these disorderly premises.

V. Effects of Reduction or Termination of These Funds:

Reduction or termination of these funds will inhibit the Police Department's ability to aggressively and effectively enforce the laws and reduce the crime associated with these disorderly premises.

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount	_____	_____	100,000	_____	_____	_____
Personnel	_____	_____	97,850	_____	_____	_____
Equipment	_____	_____	1,350	_____	_____	_____
Contract Svc.	_____	_____	_____	_____	_____	_____
Mat. & Supp.	_____	_____	_____	_____	_____	_____
Facilities/Space	_____	_____	_____	_____	_____	_____
Other (TRAVEL)	_____	_____	750	_____	_____	_____
Indirect Costs	_____	_____	_____	_____	_____	_____

VI. Data Processing

(none included above)

VII. Personnel

F/T CSC	_____	_____	_____	_____	_____	_____
P/T CSC	_____	_____	_____	_____	_____	_____
Contractual	_____	_____	_____	_____	_____	_____

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Exception Form)



# Memorandum

San Francisco Police Department



APPROVED  
LT. JOE DUTTO #1235

NO

To: Lieutenant Joe Dutto #1235  
Vice Crimes Division

From: Inspector Michael Curran #1075 *Michael Curran*  
Vice Crimes Division

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Date: March 21, 1996

Subject: Justification of expenditure funds from A.B.C. Grant

ISSUE: In February, 1996, an inquiry was made by Vice Crimes personnel about the status of an A.B.C. grant project which had been forwarded to the Mayor's Criminal Justice Council for review and approval. It was subsequently determined that the grant had not been approved as there were questions regarding a sum of \$49,000 which were initially identified in the original grant proposal budget as "matching" funds.

As the grant requires no matching funds from the Police Department, the proposed budget was amended to reflect no matching funds, except for the salary of one full-time Q2 police officer to be dedicated to administrating the grant. In fact, that Q2 police officer was already assigned to Vice Crimes. The \$49,000.00 originally allocated as matching funds was then rebudgeted as overtime grant funds.

DISCUSSION: An issue has now been raised requesting justification of spending approximately \$97,500.00 as overtime, funded entirely by the grant.

San Francisco has over 3,400 A.B.C. licensed premises within the city limits. In the first month of the year, all ten police districts were asked to identify their most problematic, disorderly premises. Several police districts solicited input and concerns from their communities in further identifying these problem premises. Lists were submitted by each district, and reviewed by Vice Crimes and the A.B.C. A total of almost ninety (90) premises were identified as targets.

Most of these targets have been licensed premises for some time, many with a history of police problems.

Foremost as a goal or objective of the grant project is to bring these targeted premises in compliance with the law. Those problematic premises which refuse to operate lawfully will be subject to suspension or revocation of their A.B.C. license. Investigations and enforcement at these targeted premises will require specific, concentrated effort. Specific investigative techniques will be utilized at these premises, including but not limited to high-profile premises inspections, use of minors posing as decoys, surveillance relating to alleged narcotic trafficking, and offerings of training by A.B.C. and the Police Department for license holders, their managers and employees, dealing with alcohol-related offenses.

Most of this type of investigation and enforcement is not practical as a routine, on-duty function by patrol officers.

Familiarity of relevant offenses, and specific training compatible with guidelines developed by the A.B.C. and the District Attorney are critical factors for effective investigations and enforcement.

On average, ninety targeted premises, spread over ten police districts, equates to nine targets per district. Additional targets, as they are identified, will be added at each district over the next year bringing the total well over 100.

\$97,000.00 divided equally by ten police districts equates only to \$9,700.00. If nine premises are targeted in each district, each premises is allocated an average of less than \$100.00 per month for investigation and enforcement actions.

RECOMMENDATION/CONCLUSION: The Police Department clearly recognizes that 97,000.00 is not nearly enough money to do a truly effective job. This grant funded overtime will only augment a tremendous amount of personnel resources and time, paid as "on-duty" time. Calls for service, on-view incidents, arrests and reports relating to A.B.C. licensed premises already account for a part of any on duty police officer's day. The purpose of this grant-funded overtime is to allow for a more concentrated effort to "clean up" licensed premises targeted as disorderly and problematic, while minimizing any impact on responsetime and other duties routinely performed by "on-duty" personnel.

Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

Item 2 - File 146-96-6

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 14, 1996.

**Department:** Department of Public Health (DPH)  
Community Substance Abuse Services (CSAS)

**Item:** Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services to accept and expend an augmentation grant of up to \$1,262,373 which excludes indirect costs from the United States Department of Health and Human Services, Center for Substance Abuse Treatment through the State of California, Department of Alcohol and Drug Programs; providing for action previously taken.

**Grant Amount:** Up to \$1,262,373

**Grant Period:** Retroactive from January 1, 1996 through September 30, 1996

**Source of Funds:** Federal Department of Health and Human Services, Center for Substance Abuse Treatment (CSAT) through the State of California, Department of Alcohol and Drug Programs

**Project:** Federal Target Cities Project

**Description:** The Community Substance Abuse Services (CSAS) Target Cities Project is a project designed to develop an effective and comprehensive substance abuse service system in San Francisco by creating a centralized substance abuse treatment site (Central Intake Unit), as well as a Criminal Justice Unit that will provide both services and referrals for substance abusers in San Francisco. The Target Cities Project is funded by Federal CSAT grant monies in the amount of approximately \$11,137,500 to be distributed to the Department of Public Health (DPH) over a five-year period from September 1, 1993 through August 31, 1998. The Board of Supervisors previously approved funding for the five-year Target Cities Project (File 146-93-58). The Target Cities Project is currently in its third year of funding.

The proposed augmentation would increase CSAT's original FY 1995-96 allocation (year three funding) of approximately \$2.5 million by an amount of \$1,262,373. The proposed funds would be used primarily to expand treatment services, enhance staffing, and implement two new program components required by CSAT. The two new components

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include (1) an additional \$75,000 for the evaluation component of the Target Cities Project in order to conduct a cross site evaluation between the San Francisco Target Cities Project and the other 19 Target Cities Projects in the United States, and (2) implement a Faith Initiative in order to link substance abuse services to San Francisco's religious organizations.

**Budget:** The following budget is for the nine month period retroactive from January 1, 1996 through September 30, 1996.

	<u><b>Expense</b></u>
<u><b>Personnel</b></u>	
MIS System Specialist	\$38,000
Nurse Practitioner/Physician's Assistant	37,593
Health Case Manager	24,032
Case Manager	24,000
Contract Monitor	25,400
Mobile Assessment Counselor	22,800
Mobile Assessment Counselor, entry level	16,160
Receptionist	<u>23,920</u>
Total	\$211,905
<u><b>Fringe Benefits (25%)</b></u>	52,977
<u><b>Operating Costs</b></u>	
<u><b>Equipment</b></u>	
Furniture (including 19 lateral files for an average price of \$465 each, and one locked cabinet @ \$614)	10,000
Telephone (\$83 per month for nine months)	747
Computers (three computers @ \$3,500 each)	10,500
Printers (two printers @ \$400 each for two different sites)	800
<u><b>Supplies</b></u>	
Office supplies	20,000
Postage	6,500
Marketing Materials (including brochures and posters for advertising services and new program components to clients and service providers)	11,200
Training Materials ( to be used by Target Cities staff, and substance abuse treatment providers)	8,000
<u><b>Site Alterations</b></u>	
Alterations (including construction costs for new work sites at Central Intake Unit, improved lighting, soundproofing, and ADA signage)	9,003

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Travel

Out of Town Travel (total of four roundtrip airline tickets @ \$1,000 each to be used by two staff members to attend two conferences each in Washington D.C., (2 staff x 2 tickets each = four tickets total) and \$1,000 for hotel accommodations)	\$5,000
Local Travel (reimbursed @ .28 per mile for an estimated 7,964 miles for 10 counselors for local travel between sites)	2,230

Contractual Services (see Comment No. 3)

Treatment Expansion (new Services)	\$346,240
Treatment Expansion (existing services)	284,717
Voucher Program	<u>95,543</u>
Subtotal	726,500

Consultant Services (see Comment No. 2)

Gibson and Associates	10,000
Kristen Curtz Consulting Services	6,000
Sign Language Interpreter	4,500
Psychiatric Services	20,000
Faith Community consultant	24,000

Other Expenses

Evaluation of Target Cities Project (see Comment No. 1)	75,000
Meeting Expenses (including space rental for city-wide conferences, speaker honoraria for city-wide conferences, and workshops)	<u>2,900</u>

TOTAL DIRECT CHARGES	\$1,217,762
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Administrative Overhead paid to Fiscal Agent (based on 11 percent of eligible Total Direct Charges, or \$405,554, as specified in contract between Target Cities and the Fiscal Agent)	<u>44,611</u>
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Total	\$1,262,373
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**Required Match:** None.

**Indirect Costs:** None. The grantor does not allow for the inclusion of indirect costs.

**BOARD OF SUPERVISORS**  
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**Comments:**

1. An amount of \$75,000 would be used to augment the existing contract between the Target Cities Project and the University of California, Institute for Health Policy Studies in order to conduct a cross site evaluation between the San Francisco Target Cities Project, and the 19 other Target Cities in the United States. The purpose of a cross site evaluation is to create a national database, and determine variations in the 20 Target Cities projects. The addition of the cross site evaluation component is a requirement of CSAT, the funding agency. Attachment I, provided by the CSAS provides a detailed budget of the proposed evaluation component.

2. Contractual Services include: (1) \$10,000 for Gibson and Associates; (2) \$6,000 for Kristen Curtz Consulting Services; (3) \$4,500 for a Sign Language Interpreter; (4) \$20,000 for Psychiatric Services, and (5) \$24,000 for a Faith Community consultant. CSAS has advised that consultants have not been selected for (a) sign language interpretation services, (b) psychiatric services, or (c) the services of a Faith Community consultant. Therefore, an amount of \$48,500 should be reserved pending the selection of the consultants, the submission of budget details, and the MBE/WBE status of the consultants.

The balance of contractual services will be expended for the following:

- The Target Cities Project has allocated an additional \$10,000 to an existing contract with Gibson and Associates. Gibson and Associates was originally selected through a Request for Qualifications (RFQ) process, and is not an MBE/WBE firm. The \$10,000 would fund the development of additional proposals to enhance the Target Cities Project's service delivery system. Gibson and Associates would receive up to an amount of \$10,000 for 200 hours of work at \$50 per hour.

- The Target Cities Project has allocated an additional \$6,000 to an existing contract with Kristen Curtz Consulting Services to develop and update service manuals, as well as develop quality assurance standards. Kristen Curtz Consulting Services was originally selected as the result of an interview process for consultants responding to a Letter of Interest submitted by Target Cities to potential consultants. Kristen Curtz Consulting Services is not an MBE/WBE firm. Kristen Curtz Consulting Services would receive up to \$6,000 for 240 hours of work at \$25 per hour.

3. The Target Cities Project has allocated a total amount of \$726,500 for contractual services in order to expand substance abuse treatment. Of this amount, (1) \$346,240 was allocated for new services, (2) \$284,717 was allocated to expand existing services, and (3) 95,543 was allocated to fund a voucher program. These three components are described below:

New Services (\$346,240)

The following providers were all selected through a Request for Proposal Process as the most qualified bidders to provide new services for clients referred from the Target Cities Project, Central Intake Unit. Each of the providers is a non profit agency.

<u>Provider</u>	<u>Budget Allocation</u>	<u>No. of Hours of Direct Service Provided</u>	<u>Cost Per Hour</u>
Bay View Hunter's Point Foundation	\$175,000	5,946	\$29.43
Westside	50,000	1,499	33.35
Provider Not Yet Selected	81,240*	—	—
Pacific Acupuncture Associates	<u>40,000</u>	595	67.22
Subtotal New Svcs.	\$346,240		

\* Since the Department has not yet selected a contractor to provide these services, an amount of \$81,240 should be reserved pending the selection of a contractor, the submission of contractor cost details, and the MBE/WBE status of the contractor.

Expansion of Existing Services in the Target Cities Project (\$284,717)

The following service providers each have existing contracts with the Target Cities Project. The proposed augmentation would increase the original FY 1995-96 budget allocations for both the Central Intake and Criminal Justice Units as follows:

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<u>Provider</u>	<u>Original FY 1995-96 Budget</u>	<u>Increase in FY 1995-96 Budget</u>	<u>Total Amount</u>	<u>Increased Service units to be provided</u>
Operation Concern	\$34,740	\$19,701	\$54,441	687 units @ \$28.65 per unit
Center on Criminal/ Juvenile Justice	16,616	3,731	20,347	82 units @ \$45.44 per unit
Chemical Awareness Treatment Svcs.	148,665	56,982	205,647	1,149 units @ \$49.55 per unit
Haight Ashbury Free Clinics	115,178	65,322	180,500	1,244 units @ \$52.5 per unit
Northern California Service League	\$47,543	\$21,600	\$69,143	432 units @ \$50 per unit
*Pacific Acupuncture Associates	30,000	47,866	77,866	712 units @ \$67.22 per unit
Salvation Army	38,915	22,068	60,983	574 units @ \$38.46 per unit
Walden House	<u>204,269</u>	<u>47,447</u>	<u>251,716</u>	748 units @ \$63.42 per unit
Subtotal Existing Services Expansion	\$635,926	\$284,717	\$920,643	

\*Pacific Acupuncture Associates has an existing contract with the Criminal Justice Unit of the Target Cities Project. As noted above, Pacific Acupuncture Associates was awarded a new contract to provide services for the Target Cities Project, Central Intake Unit.

Voucher Program (\$95,543)

----- The Target Cities Project has allocated \$95,543 for the development of a voucher program. The purpose of the voucher program is (1) to allow treatment providers to receive Drug Rehabilitation Court (a component of the Target Cities Project) client referrals, and the accompanying vouchers for reimbursement on a per unit basis for providing services to these clients, (\$80,000), and (2) to provide emergency housing vouchers to participants in the Drug Rehabilitation Court (\$15,543).

The Department conducted a Request For Qualifications (RFQ) Process to establish a pool of treatment providers which would be eligible to receive Drug Rehabilitation Court client referrals and the accompanying vouchers for reimbursement from Target Cities. The RFQ process resulted in the qualification of seven providers for inclusion in the pool. The eligible providers include (1) Milestones, (2)

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Westside, (3) Latino Family Center, (4) Haight Ashbury Free Clinics, (5) Chemical Awareness and Treatment Services, (6) UCSF's Substance Abuse Treatment Program, and (7) Northern California Service League. Mr. Emil Krentz of the Target Cities Program advises that the vouchers will be distributed on an as needed basis, up to the amount of \$95,543. Attachment II, provided by Ms. Yvonne Frazier, Director of the Target Cities Project, explains the voucher program process in detail.

4. Ms. Frazier advises that all of the personnel positions described above will terminate when the grant funds expire.

5. Attachment III is a Summary of Grant Request form, as prepared by the DPH, for the proposed grant funds.

6. The DPH has prepared a Disability Access Checklist for the proposed grant program, which is on file with the Clerk of the Board.

- Recommendations:**
1. Reserve \$129,740 for contractual/consultant services, including \$48,500 as detailed in Comment No. 2 above, and \$81,240 detailed in Comment No. 3 above, pending the selection of the contractors/consultants, the MBE/WBE status of the contractors/consultants, and the submission of budget details.
  2. Approve the proposed resolution as amended.

## EVALUATION DETAIL

PI: J. Guydish, PhD  
 Funding Source: HAFM/City & Co. of SF Target Cities X Site  
 Current FY 10/1/95 - 9/30/96

## Budget Category

Personnel	Role	% Effort	1995 Beginning Benefit Rate	Annual Salary as of Oct 1	1996 Annual Salary as of Jan 1	Benefit Rate as of Jan 1	Annual Salary as of July 1	Total Salary	Total Benefits	Total Category
Faculty										
J. Guydish	P.I.	25.00%	15.0%	72,800	72,800	15.6%	76,440	18,428	2,833	21,261
M. Chan	Proj. Dir.	15.00%	16.0%	42,652	42,652	16.5%	42,652	6,396	1,047	7,446
D. Mason	Financial Analyst	7.00%	15.0%	53,141	53,141	16.6%	53,141	3,720	672	4,292
M. Nguyen	Programmer	30.00%	17.6%	30,672	30,672	18.0%	32,205	9,317	1,866	10,882
P. Luncour	Proj. Asst. II	10.00%	23.0%	32,556	32,556	23.5%	32,556	3,266	761	4,017
Total Personnel		87.00%						41,119	6,878	47,997
Consultants										0
Equipment										0
Supplies (to itemize, use)										3,909
Office supplies/postage/publications		2,114								
Printing/Photocopying		200								
Delivery		200								
Telephone		996								
Programming Services		0								
Computer Network Support		479								
Travel										1,500
National		1,500								
Local		0								
Other										7,607
Space Rental Allowance		7,607								
Computer Time		0								
Consortium/Contractual Costs										0
Direct		0								
Indirect		0								
TOTAL DIRECT										61,093
INDIRECT @ 28% MTDC										13,907
TOTAL										75,000

12/13/95

Appendix B-1



There are a variety of options for structuring a voucher system in the context of a system wherein a Central Intake, Assessment and Referral Unit such as the San Francisco Target Cities Project is linked to an array of treatment programs via an automated MIS capable of tracking treatment program characteristics, patient/client characteristics, and available capacity. Generally, the characteristics and process requirements inherent in each of these systems can be described as follows:

Voucher System:

- Each individual who undergoes assessment by the Criminal Justice Component of the San Francisco Target Cities Project is issued a voucher, exchangeable for admission at one or more treatment programs designed to suit the treatment needs of the individual;
- The voucher is encoded with the time and date of issuance and a unique patient/client identifier, and the patient/client is provided with a list of treatment programs/modalities that will accept the coupon;
- The target cities staff member enters the unique patient/client identifier and the time and date of voucher issuance into the automated MIS;
- The MIS informs each treatment program to which the patient/client has been referred that a referral has been made and simultaneously reserves capacity in each treatment program in anticipation of the admission;
- The voucher is time limited (e.g., the coupon expires within 36 hours of issuance);
- If the patient/client presents for treatment to a referral site, the treatment program enters the unique patient/client identifier into its data management system;

The treatment program automated management system logs the admission, simultaneously deletes the capacity reservation, and informs the Target Cities Staff that the admission has been made;

The CIU MIS informs the other treatment programs to which the patient/client was referred that admission has occurred, simultaneously deleting the capacity reservations made at the time the patient/client was referred from the CIU;

- If the patient/client does not present for treatment at one of the treatment programs referral sites within 36 hours of coupon issuance, the CIU MIS deletes all capacity reservations.

Item No. \_\_\_\_\_

Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor: USDHHS/Center for Substance Abuse  
Treatment (CSAT)Division: Mental Health and  
Substance Abuse ServicesContact Person: Barry Blandford  
Address: Suite 740, Rockwall II Building  
5600 Fisher Ln., Rockville, MD 20857

Section: Community Substance Abuse Services

Contact Person: Larry Meredith, Ph.D.

Telephone: 255-3500

Amount Requested: \$1,262,373

Application Deadline: N/A

Term: From 1/1/96 To 9/30/96

Notification Expected: N/A

Health Commission \_\_\_\_\_ Board of Supervisors: \_\_\_\_\_

Finance Committee: \_\_\_\_\_

Full Board: \_\_\_\_\_

I. Item Description: Request to accept and expend an augmentation to an allocation/grant in the amount of \$1,262,373 for the period of January 1, 1996 to September 30, 1996 to provide centralized substance abuse treatment enhancement and placement services.

## II. Summary: (Context/history; need addressed; number + groups served, services and providers)

CSAS was awarded the SF Target Cities cooperative agreement following the competitive review, and 19 other cities in the nation were awarded this award. The five-year grant project was approved by both the Commission and Board of Supervisors (File # 146 - 93 - 58 Res. # 992-93). A three way cooperative agreement between CSAT (Center for Substance Abuse Treatment), DADP (Department of Alcohol and Drug Programs), and DPH, CSAS (Community Substance Abuse Services) was established. (Continued on Page 1b Attached)

## III. Outcomes/Objectives:

1. Improve and systematize access to treatment and recovery.
2. Improve effectiveness of treatment and recovery.

## IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of funds in any subsequent year of this award would result in a comparable reduction or termination of services.

## V. Financial Information:

Col A  
Two Years  
AgoCol B  
Past Year/  
OriginalCol. C  
ProposedCol. D  
Change

Req. Match

Approved by

Grant Amount	N/A	N/A	1,262,373	N/A	N/A	N/A
Personnel			0			
Equipment			0			
*Contract Svc.			1,262,373			
Mat. & Supp.			0			
Facilities/Space			0			
Other/Admin.			0			
Indirect Costs			0			

## VI. Data Processing

(costs included above)

	0	
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## VII. Personnel

F/T CSC	0	
P/T CSC	0	
Contractual	8	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

No; all grant funded employees will be advised of the temporary nature of their employment.

\*VIII. Contractual Services: Open Bid XXX Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)

Item 3 - File 97-96-12

**Department:** Chief Administrative Officer (CAO)

**Item:** Ordinance amending Chapter 1 of the Administrative Code by adding Section 1.6-B, authorizing the Clerk of the Board, upon the recommendation of the Chief Administrative Officer, to approve the use of the City Seal on the face of San Francisco Affinity Credit Cards and San Francisco Affinity Pre-Paid Telephone Cards and; allowing San Francisco Affinity Credit Cards and San Francisco Affinity Pre-paid Telephone Cards inscribed with the City Seal to be offered for sale.

**Description:** The Board of Supervisors previously approved legislation urging the CAO to examine proposals for the creation of a San Francisco Affinity Credit Card and authorizing the CAO to examine proposals for the creation of an Affinity Telephone Service, including the option of creating a pre-paid telephone card for the City (Files 186-95-5 and 186-95-7).

Mr. Neal Taniguchi of the Office of the CAO previously reported that (1) Affinity Credit Cards are credit cards which financially benefit a cause or an organization or an affiliation by providing that the given cause, organization or affiliation receives a certain percentage of the sales paid for through the use of the credit cards and (2) an Affinity Pre-paid Telephone Card contains discounted telephone time in various denominations, sold through various retail outlets. Consumers can purchase these cards for a set amount of money (e. g., \$10 for 30 minutes of long distance calls). These Pre-paid Telephone Cards can also be designed to provide access to various information services (i. e., scheduling and reservation services for events and attractions) and voice mail and fax mail services. The attached memo from Mr. Taniguchi explains further details on how the Pre-paid Telephone Card would be administered.

Mr. Taniguchi advises that the purpose of Affinity Credit Cards is to take advantage of the loyalty of consumers for certain causes/charities, organizations or affiliations. According to Mr. Taniguchi, potential Affinity Credit cardholders are offered the opportunity to obtain a specially designed card, at competitive interest rates, that would, through the cardholder's usage, contribute money to the cardholders preferred cause/charity, organization or affiliation. At the same time, the design features of the card visibly show the cardholder's "affinity" for the particular cause/charity, organization or affiliation.

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Mr. Taniguchi, advises that he believes that there would be negligible on-going administrative costs to the City to administer an Affinity Credit Card since a bank would be retained to handle the promotion, marketing, issuance and administration of the Affinity Credit Card. The attached memo from Mr. Taniguchi explains further details on how the Affinity Credit Card would be administered.

The proposed ordinance would amend Section 1, Chapter 1 of the Administrative Code to add a new Section 1.6-B, which would (1) authorize the Clerk of the Board to approve the use of the City Seal on the face of San Francisco Affinity Credit Cards and San Francisco Affinity Pre-paid Telephone Cards in connection with San Francisco Affinity Credit Card and San Francisco Affinity Pre-paid Telephone Card programs to be developed by the City and (2) require the CAO to submit quarterly reports to the Board of Supervisors detailing the uses of the City Seal approved by the Clerk of the Board. Additionally, the proposed legislation would provide that the new Section 1.6-B would expire upon the termination of the agreements establishing these two programs.

**Comments:**

1. Mr. Taniguchi reports that the CAO, through its Request for Proposal (RFP) process, has selected Winston Taylor, Inc. to design, market and sell a San Francisco Affinity Pre-paid Telephone Card. Winston Taylor, Inc. is not an MBE or WBE firm. Winston Taylor, Inc., which was one of four firms which submitted a proposal to the CAO, was selected on the basis of its marketing plans, revenue sharing proposals and experience. The three other firms, which submitted proposals are H T Technology, Earthline Communications and Earthtel. Mr. Taniguchi advises that none of these three firms are MBE or WBE firms.

2. Mr. Taniguchi reports that the source of funds for the contract agreement with Winston Taylor, Inc., would be revenues generated from the sale of the Affinity Pre-paid Telephone Card. Mr. Taniguchi advises that the agreement between Winston Taylor, Inc., and the Office of the CAO is currently under negotiation with regard to the amount of revenue that would accrue to the City versus that amount which would accrue to Winston Taylor, based on the sale of the Affinity Pre-paid Telephone Card. As such, Mr. Taniguchi states that the Office of the CAO is unable to provide, at this time, an estimate of the amount of revenue which would accrue to the City. Mr. Taniguchi notes that the proposed agreement with Winston Taylor, Inc. would require future approval by the Board of Supervisors. The attached memo



from Mr. Taniguchi provides further information and details on (1) the source of funds for the proposed agreement with Winston Taylor, Inc., (2) the method by which revenues would accrue to the City, based on the sale of the Pre-paid Telephone Card, and (3) costs to the City for administering this program.

3. Mr. Taniguchi advises that the CAO is currently working with the San Francisco Convention and Visitors Bureau in the development of a proposal for an expanded version of an Affinity Credit Card, which would be entitled the "San Francisco CityCard". This card would have the capacity to serve as a credit and/or debit card. A debit card deducts expended funds from the cardholder's bank account or pre-bought dollar amount. Mr. Taniguchi states that the San Francisco CityCard, as it is currently envisioned, could include elements of an Affinity Credit Card and other features, which would provide access to (a) discounts from retail establishments, (b) special events and shows, (c) seating upgrades (e. g. theater and sports events), (d) tours, and (e) various other items and events. Mr. Taniguchi advises that a bank would be retained by a partnership of the City and the Convention and Visitors Bureau to handle the promotion, marketing, issuance and administration of the CityCard. The attached memo from Mr. Taniguchi provides further information and details on (1) the source of funds for administering the proposed CityCard, (2) the method by which revenues would accrue to the City based on consumer usage of the CityCard, and (3) costs to the City for administering this program.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.





OFFICE OF THE  
CHIEF ADMINISTRATIVE OFFICER

WILLIAM L. LEE  
CHIEF ADMINISTRATIVE OFFICER

March 21, 1996

TO: Harvey M. Rose, Budget Analyst, Board of Supervisors  
FROM: Neal Taniguchi, CAO's Office *NT*  
RE: Affinity Credit Card and Affinity Pre-paid Phone Card Projects

You have asked for an explanation of how the two Affinity Card programs work. Hopefully, this brief memo will answer your questions.

The main goals of these two projects are (1) to promote the City of San Francisco as a world class place to reside or visit; and (2) to earn revenues for the City's programs.

**How would the Affinity Credit Card and Affinity Pre-Paid Phone Card Programs work?**

Both programs are, essentially, revenue sharing agreements with private companies. The City allows the companies to use the City Seal, the name of the City and County of San Francisco in marketing pre-paid phone cards and credit cards, and in return, the City receives a share of the revenues derived from sale of pre-paid phone cards and the use of credit cards.

The following gives a brief explanation of how each program would work:

**Affinity Credit Card Project:**

The affinity credit card idea was seized to take advantage of some consumers' perceived loyalty to organizations, causes, or affiliations. In this case, the perceived loyalty is to San Francisco. Credit card holders would be offered the opportunity to obtain a specially designed card, at competitive terms, that would through their usage, contribute money to high profile programs within the City. At the same time, the design features of the card visibly show that individual's "affinity" with the City of San Francisco.

Financial institutions contribute the money as a percentage of sales volume and is really an allocation of the user fees they extract from participating merchants. Typically, banks will offer a quarter to a half of one-percent of sales volume as the affinity organization's share of the revenues.

An Affinity Credit Card for San Francisco would earn revenues for General Fund programs, while at the same time providing benefits to cardholders and San Francisco merchants. The following ideas have been identified as possible components of the San Francisco affinity credit card concept:

- Proceeds from the revenue sharing arrangement would be deposited in the General Fund, or as prescribed by the City. It might even be possible to allow card holders to designate their contributions to pre-selected programs or activities (eg. Golden Gate Park, the Conservatory, the Animal Shelter, homeless shelters, branch libraries). Such designations would be subject to Board and Mayor's approval. It should be noted, however, that consumers are more likely to apply for and use a San Francisco Affinity Credit Card if they

knew that such contributed funds will be designated to a specific program or set of programs.

- The affinity credit card may promote the City and County of San Francisco by offering rebates or discounts to credit card holders for purchases made in San Francisco with participating merchants.
- San Francisco businesses may receive some benefit, such as free advertising, in exchange for offering discounts to SF Affinity Card holders.

#### **The pre-paid phone card project:**

Pre-paid telephone cards contain discounted telephone time in various denominations, and are sold through various retail methods. To promote San Francisco and to earn revenues for the General Fund, the City proposes to allow the use of the City's seal on official San Francisco Pre-Paid telephone cards offered for sale to the public. The City would receive a share of the sales revenues in exchange for the right to label these phone cards as official City pre-paid phone cards.

These pre-paid phone cards, which provide telephone time in various denominations, will also provide access to various information services, including access to scheduling and reservation services of current San Francisco events and attractions, voice mail and fax mail services, and direct line access to City services like Muni.

Winston-Taylor, Inc. has been selected as the operator, through competitive RFP process, and will develop San Francisco Phone Cards for sale to tourists and residents. Winston-Taylor would be responsible for all aspects of producing, distributing and selling the phone cards.

#### **What is the source of payment?**

As stated above, both arrangements are revenue sharing agreements. The City does not pay the selected companies anything. The companies do not charge the City any fees.

#### **How are revenues accrued to the City?**

Although this would be a negotiable item in the revenue sharing agreements, revenue from the sale of pre-paid phone cards or from the use of credit cards would accrue to the City over definite periods of time, such as quarterly.

#### **Would any City funds be expended on these agreements?**

The CAO's Office anticipates that little, if any, funds would be spent on the administration of these agreements.

#### **What is the status of the Winston-Taylor contractual agreement?**

The City Attorney's Office is currently drafting the contract between the City and Winston-Taylor. The contractual agreement will be brought to the Board of Supervisors for approval within the next month.



Item 4 - File 27-96-4

- Department:** Airports Commission
- Item:** Ordinance approving the "North Terminal California Products Shop Lease" between Marilla Chocolate Company, Inc., the lessee, and the City and County of San Francisco, acting by and through its Airports Commission.
- Amount Payable to Airport:** Marilla Chocolate Company, Inc. will pay the Airport either a minimum annual guarantee of \$282,132, adjusted annually by the Consumer Price Index, or 15 percent of gross receipts, whichever is greater.
- Lease Period:** September 5, 1996 through September 4, 2001
- Description:** The proposed ordinance would approve a new lease in the North Terminal of the San Francisco International Airport entitled "North Terminal California Products Shop Lease," between Marilla Chocolate Company, Inc. and the City. The lease would be granted to Marilla Chocolate Company, Inc. for a period of five years beginning September 6, 1996, for a minimum annual guarantee payment from Marilla Chocolate Company, Inc. to the City of \$282,132 adjusted annually for the Consumer Price Index, or 15 percent of gross receipts, whichever is greater.
- Comments:**
1. The Airports Commission adopted Resolution No. 96-0055 on February 20, 1996, awarding the lease to the proposed lessee, the Marilla Chocolate Company, Inc.
  2. The proposed lease space would be used by Marilla Chocolate Company, Inc. to sell California products, including high-quality California wines, high-quality food and non-food items unique to or made in California, and other high-quality non-food gift items.
  3. The Airport conducted a competitive bidding process for the North Terminal California Products Shop Lease. The bid award was based on the highest minimum annual guarantee, since the lessee would be required to pay the Airport either the minimum annual guarantee, or 15 percent of gross receipts, whichever is higher. The Airport reported that it received four qualified bids, with Marilla Chocolate Company, Inc. bidding the highest minimum annual guarantee of \$282,132. The other three bidders, together with their minimum annual guarantee amounts were Lakeshore Cal Shop (\$215,111), Express Stores, Inc.

(\$120,000), and Tan Enterprises (\$111,000). Marilla Chocolate Company, Inc. is a WBE firm.

4. The proposed North Terminal California Products Shop Lease provides that Marilla Chocolate Company, Inc. will either obtain a surety bond in an amount equal to one-half of the minimum annual guarantee payment of \$282,132 which will be payable to the Airport, or deposit with the Airport Irrevocable Letters of Credit, Certificates of Deposit, Certified Checks, Money Orders, or Cashier's Checks equal to an amount of one-half of the minimum annual guarantee amount of \$282,132, as security for faithful performance by Marilla Chocolate Company, Inc.

5. The minimum annual guarantee of \$282,132 under the proposed lease is \$88,699 higher than the minimum annual guarantee of \$193,433 under the existing lease with California Products. The existing lease expires on September 4, 1996. According to Mr. Bob Rhoades of the Airport, California Products, the current lessee, paid the Airport its minimum annual guarantee of \$193,433 for the year ending December 31, 1995, since the minimum annual guarantee was greater than 15 percent of gross receipts. Mr. Rhoades advises that California Products will pay the Airport a minimum annual guarantee of \$128,955 for the eight-month period ending September 4, 1996, or 15 percent of gross receipts, whichever is greater.

6. Mr. Rhoades advises that California Products, the current lessee under a seven year lease ending September 4, 1996, bid for the proposed lease under the name of Lakeshore Cal Shop. As noted above, the bid of \$215,111 submitted by Lakeshore Cal Shop was the second highest bid.

**Recommendation:** Approve the proposed ordinance.



Item 5 - File 27-96-5

**Department:** Airports Commission

**Item:** Ordinance approving Modification No. 5 of the Lease and Use Agreement between Delta Airlines, Inc. and the City and County of San Francisco, acting by and through its Airports Commission.

**Description:** On July 1, 1981, Delta Airlines, Inc. and the City and County of San Francisco entered into a 30-year Lease and Use Agreement (Agreement) for Delta Airlines, Inc. to lease certain space in the South and International Terminals from the Airport.

The proposed lease modification would authorize the Airport to adjust the measurement of the Category I space leased to Delta Airlines from 19,702 square feet to 19,769 square feet, an increase of 67 square feet, to reflect the actual usage of Category I space by Delta Airlines in the South Terminal. Category I space includes ticket counters and hold rooms (waiting areas by gates). Mr. Bob Rhoades of the Airport advises that a detailed audit of Delta's space in the South Terminal revealed that 67 square feet of Category I space that Delta has occupied since June 7, 1988 were not reflected in the description of the leased space.

Mr. Rhoades advises that the rate charged per year per square foot of Category I space is \$49.99. Therefore, Delta Airlines would pay an additional \$3,349 per year (67 sq. ft. x \$49.99) annually. Mr. Rhoades advises that Delta Airlines is to pay the present annual increase of \$3,349 per year (adjusted for variations in rates charged since 1988) for the additional 67 square feet retroactive to June 7, 1988 resulting in a total retroactive payment of approximately \$20,000 for the period of seven years and ten months (June 7, 1988 through March 31, 1996). The retroactive payment of approximately \$20,000 is to be paid by Delta Airlines to the Airport by no later than April 30, 1996, according to Mr. Rhoades.

**Comment:** The effective date of the proposed lease modification is February 20, 1996. Therefore, the proposed legislation should be amended to authorize approval of the lease modification retroactively.

**Recommendation:** 1. Amend the proposed ordinance to authorize retroactive approval of the proposed lease modification.

**BOARD OF SUPERVISORS**  
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Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

2. Approve the ordinance as amended.

Item 6 - File 65-96-3

**Department:** Public Library

**Item:** Ordinance approving a memorandum of understanding between the San Francisco Public Library and the Friends of the San Francisco Public Library for use of space in the new main library building for the performance of library-related services, generation of revenues for Library Department purposes, and assurance of private funds to provide support on an ongoing basis for the San Francisco Public Library System; and authorizing and approving certain agreements directly with such non-profit corporation as contemplated by such MOU, including a lease of office space and a lease of gift store space.

**Description:** The proposed ordinance would approve a Memorandum of Understanding (MOU) between the Public Library and the Friends of the San Francisco Public Library (the Friends), a non-profit public benefit corporation. The Friends is a single-purpose, non-profit public benefit corporation dedicated to supporting the Public Library through assisting in the improvement of the Public Library, solicitation of gifts to the Public Library, and promoting public use of the Public Library. The proposed MOU states that its purpose is to enable the Friends to continue to perform such services for the Public Library.

The MOU would commit the Friends to an annual donation of \$41,600 to \$50,000 to the Public Library (See Comment No. 4), including gifts in lieu of rent. Under the terms of the MOU, the Public Library would grant the Friends the use of 886 square feet of office space and 700 square feet of space for use as a gift shop on the second floor of the new Main Library, which is scheduled to open on April 18, 1996. In lieu of rent, the Friends would make annual restricted cash gifts to the Public Library of (1) \$15,948 for the office space; and (2) \$8,400, plus 6 percent of gross sales over \$140,000 for the gift shop space. Such gifts would be credited towards the Friends' annual commitment to donate \$50,000 to the Public Library. The proposed ordinance would authorize the Director of Property to prepare leases for the office and gift store space, and would authorize the Mayor and the Clerk of the Board of Supervisors to execute such leases, on substantially the same terms and conditions as set forth in the proposed MOU.

**Comments:**

1. The leases for the office and the gift shop space would commence upon the opening of the new Main Library, which is currently scheduled for April 18, 1996, and expire on June 30, 1999, for a total of approximately 3 years and 2 1/2 months. The leases could be extended beyond the expiration date on a year-to-year basis.

2. The proposed ordinance would authorize the Director of Property to negotiate directly with the Friends, rather than conducting a competitive bid process. Mr. David Price of the Library states that the Friends is a single-purpose organization, dedicated to supporting the Public Library through fundraising and provision of services. Mr. Price states that the Library would provide space to the Friends exclusively to further this purpose of supporting the Public Library.

3. Mr. Steve Legnito of the Department of Real Estate (DRE) states that the cash gifts in lieu of rent established in the proposed MOU for the office space (\$15,948 per year) and the gift shop space (\$8,400 per year plus percentage rent set at 6 percent of gross sales above \$140,000) represent the fair market value of the space.

4. The MOU commits the Friends to making a total annual cash donation, including the gifts in lieu of rent, of \$50,000. However, the MOU provides that, if the gift shop has gross sales of less than \$140,000 per year, the Friends would receive a credit for the difference between six percent of the actual gift shop gross receipts and the base rent of \$8,400, which is 6 percent of \$140,000. In other words, the Friends could potentially receive a credit of up to \$8,400 against the \$50,000 annual donation commitment in the MOU, which would result in an annual donation of not less than \$41,600.

Deputy City Attorney Elizabeth Dietrich states that, even if the Friends contribute \$41,600 per year under the MOU rather than a full \$50,000, the Public Library would still receive gifts totalling more than the fair market value of the leased space, as determined by the DRE (See comment No. 3).

5. The MOU outlines an annual process in which the Public Library would submit to the Friends a proposal for supplemental funding, and the Friends would review and approve a specific set of programs for funding with the \$50,000 donation. The MOU further states that, if the Public Library and the Friends cannot agree on use of such funds, the leases for 886 square feet of office space and 700 square

feet of gift shop space that would be authorized under the proposed ordinance can be terminated by the City Librarian upon 90 days' advance notice to the Friends. Mr. Price advises that the general procedures under which the specific use of funds is agreed upon between the two parties have been in effect for many years and would not be changed by the proposed MOU.

6. The gift shop is being built out (i.e., tenant improvements are being built) by the City with private funds raised by the Friends. The gift shop will be operated entirely by the Friends, who will retain all proceeds from the gift shop sales above the restricted cash gift of \$8,400 per year plus 6 percent of gross sales above \$140,000. Ms. Dietrich advises that such proceeds could be used by the Friends to make further direct cash donations to the Public Library, or to fund the Friends operating costs.

Mr. Price states that many main libraries in the United States have gift shops, which are used to raise revenues to support the library. The MOU states that the merchandise sold in the store would consist of items that promote the Public Library, such as T-shirts, mugs, historic photographs, reading lights, books by San Francisco authors, etc. Mr. Price states that, because the Friends exists exclusively to support the Public Library, all profits from the store would be used by the Friends either to provide direct financial donations to the Public Library or to support operations of the Friends to provide services to and conduct fundraising for the Public Library.

7. Ms. Mary Downey of the Public Library advises that the Friends formerly occupied approximately the same amount (886 square feet) of office space in the old Main Library, for which they did not pay rent to the City. There was no gift store in the old Main Library.

Ms. Downey reports that the Friends have expended an average of approximately \$100,000 per year on behalf of the Public Library over the past three years. Ms. Downey states that the purpose of the annual \$50,000 donation commitment from the Friends to the Public Library in the proposed MOU is to guarantee the Public Library a minimum level of annual support from the Friends, although it is likely that in some years the Friends will contribute more than \$50,000 to the Public Library.

**Recommendation:** Approve the proposed ordinance.





Item 8 - File 68-96-2

**Departments:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution establishing a minimum of a \$1 million Revolving Loan Fund from the U.S. Housing and Urban Development Section 108 Loan Guarantee Program to meet the needs expressed by small business owners in the garment industry.

**Amount:** \$1 million

**Source of Funds:** U.S. Housing and Urban Development (HUD) Section 108 funds

**Description:** The Board of Supervisors previously authorized the MOCD to accept and expend \$50 million in Section 108 Loan Guarantee Program funds from HUD. These funds have been approved and may be drawn from the Federal government on an as-needed basis, according to Mr. Wayne Lawrence of the MOCD. The \$50 million in Section 108 loan funds has been borrowed from HUD by the City against future allocations of Community Development Block Grant (CDBG) funds for San Francisco. The funds are to be used by the City as loans or as loan guarantees for low-interest rate loans for business enterprises that are providing jobs for low and moderate income persons. The proposed resolution would set aside \$1 million of the previously received \$50 million in Section 108 Loan Funds for a Revolving Loan Fund exclusively for the garment industry.

According to Mr. Lawrence, San Francisco's garment industry consists of an estimated 400 to 500 businesses and employs approximately 14,000 persons, most of whom are low-skill, low-wage sewing operators. Mr. Lawrence advises that San Francisco's garment industry is currently at risk of collapse, due to its inability to compete with foreign industries, since San Francisco's garment industry has not elevated its technological capabilities. The proposed Revolving Loan Fund would allow garment industry businesses to purchase the materials they need to be able to compete, according to Mr. Lawrence.

Garment industry borrowers would be subject to the same requirements as other Section 108 borrowers. Borrowers are required to have collateral on their loan in a manner similar to commercial business loans. However, in the event that a borrower's collateral does not cover the loan, and borrowers default on a loan of these funds, HUD would be repaid by withholding regular CDBG allocations which would

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

otherwise have been granted to San Francisco. (The MOCD has also received Board of Supervisors authorization to accept and expend a \$1 million Economic Development Initiative grant, which the City uses as a loan loss reserve to protect CDBG funds against default.)

Mr. Lawrence advises that loans of Section 108 funds are made according to eligibility criteria established by HUD, including: (a) the borrower must have a good credit history, a business plan, loan collateral, and other standard financial criteria; (b) the borrower must have applied to and been turned down by traditional financial institutions; and (c) for each \$35,000 in assistance requested from Section 108 funds, the borrower must create one full-time position for low or moderate income persons. Mr. Lawrence reports that loan amounts may range from \$1,000 to an unlimited amount, with the largest loan amount approved to date being \$2 million. Loan interest rates vary, with most borrowers paying the prime rate, and the loan periods range from 5 to 15 years, according to Mr. Lawrence.

**Comment**

The Budget Analyst notes that garment industry businesses are already eligible for Section 108 loan funds, as long as they meet the above criteria. However, the proposed resolution would reserve \$1 million, or two percent, of the previously authorized \$50 million in HUD Section 108 funds for the garment industry.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 9 - File 65-96-4

**Department:** Department of Real Estate  
San Francisco Unified School District (SFUSD)  
Public Transportation Commission

**Item:** Ordinance authorizing and approving a new 35 year lease with the San Francisco Unified School District, of certain school district property, located at Newcomer High School; and ratifying previous actions.

**Location:** Newcomer High School, located at 2340 Jackson Street (near the corner of Jackson Street and Fillmore Street)

**Purpose of Lease:** Restroom facility for Municipal Railway (MUNI) Platform Operators (drivers).

**Lessor:** San Francisco Unified School District

**Lessee:** Public Transportation Commission

**No. of Sq. Ft.:** Approximately 289 square feet

**Annual Cost:** \$1.00 per year payable by the Municipal Railway to the San Francisco Unified School District.

**Term of Lease:** Retroactive to June 1, 1995 through May 30, 2030 (35 years)

**Utilities and Janitor Provided by Lessor:** MUNI would be responsible for all utilities, including maintenance of the restroom facility.

**Source of Funds:** MUNI's operating budget

**Description:** The proposed lease for 289 square feet of land would be used to construct a restroom facility for MUNI Platform Operators. According to Mr. Ken Jew of the Public Transportation Commission (PTC), at the request of the MUNI Transit Operators' Union, the PTC is constructing a Platform Operator restroom for use by Platform (transit) Operators at the end of the 24 Divisadero line. Mr. Jew indicates that Platform Operators currently do not have any separate available restroom facility at this location operated by the City.

The provisions of the Memorandum of Understanding (MOU) which was previously approved by the Board of Supervisors, states that "the City will attempt to provide

usable restroom facilities as near as possible to the end of the line."

**Comments:**

1. The PTC would be responsible for the construction costs associated with the proposed operator restrooms which are estimated to cost \$83,000 to be funded from Proposition B Half-Cent Sales Tax monies. According to Mr. Jew, the County Transportation Authority approved funding for the \$83,000 in construction costs at the Newcomer High School in March of 1995.

2. According to Mr. Jew, San Luis Gonzaga Construction, Inc. was selected as the construction contractor. San Luis Gonzaga Construction, Inc. meets the Disadvantaged Business Enterprise requirements (DBE) of the Public Transportation Commission and the contract.

3. The annual operating costs of the proposed operator restroom are estimated at \$3,250. These costs would be funded through MUNI's operating budget.

4. As previously noted, the Board of Supervisors has approved the MOU which states that the City would attempt to provide the subject restroom facilities.

**Recommendation:** Approve the proposed resolution.



Item 10 - File 93-95-1.1

**Department:** Department of Human Resources

**Item:** Ordinance amending Ordinance No. 178-95 to implement the terms of an amendment to the Memorandum of Understanding (MOU) between the Service Employees International Union, Local 790, AFL-CIO and the City and County of San Francisco for Staff Nurses and Per Diem Nurses extending the duration of the MOU through June 30, 1997.

**Description:** The Board of Supervisors previously approved a resolution approving an MOU between the City and the Service Employees International Union, Local 790, AFL-CIO and an ordinance implementing the provisions of that MOU, for the two-year period May 1, 1994 to April 30, 1996 (Files 93-95-1 and 103-95-2 respectively). The proposed ordinance would amend the previously approved ordinance (File 103-95-2) implementing the MOU to extend the period of the MOU from May 1, 1996 through June 30, 1997, or one year and two months.

**Comments:** 1. Mr. Geoffrey Rothman of the DHR advises that the proposed amendment to extend the period of the MOU would result in the continuance of the same terms and provisions of the existing MOU, meaning the City's Nursing staff (excluding supervising nurses) would not receive salary increases or any other economic increases for FY 1996-97.

2. The existing MOU, as previously approved by the Board of Supervisors, includes the following fiscal provisions: (1) a two percent wage increase for FY 1995-96 for each Nursing classification covered by this MOU, (2) effective January 1, 1995, the City began to "pick-up" one percent of the employee's share of retirement costs, and (3) retroactive to July 1, 1994, dental insurance cost for each of the Nursing classifications covered by this MOU increased by \$29.85 from \$63.50 per month to \$93.35 per month.

3. The Controller's Office previously reported that the additional costs to the City for the fiscal provisions of the existing MOU between the City and Local 790, are as follows:

	FY <u>1994-95</u>	FY <u>1995-96</u>
Wage Increase	\$0	\$1,794,082
Retirement Costs	354,730	1,447,298
Dental Insurance	<u>431,631</u>	<u>0</u>
Total	\$786,361	\$3,241,380

4. Attached is memo from the Controller's Office, which discusses the Controller's Office's analysis of the proposed amendment to extend the period of the subject MOU. According to the Controller's Office, since the amendment represents an extension of the current MOU provisions, there would be no additional incremental costs associated with this amendment to the MOU. The Budget Analyst concurs with the Controller's Office's analysis.

**Recommendation:** Approve the proposed ordinance.

Attachment



## CITY AND COUNTY OF SAN FRANCISCO

## OFFICE OF THE CONTROLLER

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

March 22, 1996

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Local 790, Staff and Per Diem Nurses, MOU Extension

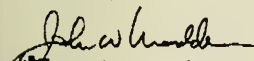
Dear Mr. Taylor:

In accordance to Ordinance 92-94, I am submitting a cost analysis of the Memorandum of Understanding (MOU) extension between the City and County of San Francisco and Local 790, Staff and Per Diem Nurses for the period of July 1, 1996 through June 30, 1997. This MOU covers approximately 1,200 employees.

Since this an extension of the current MOU provisions, there are no additional incremental costs associated with the agreement in fiscal year 1996-97. Overall, the MOU governs approximately \$79 million in salary costs and another \$21 million in related fringe benefits for the City's Nursing staff. Extending the MOU also serves to continue the current staffing level requirements contained in the current MOU.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

Attachment

cc: Vicki Rambo, ERD  
Wendell Pryor, HRD  
Harvey Rose, Budget Analyst



Items 11 and 12 - File 89-96-1 and File 89-96-2

**Department:** Department of Human Resources  
Employees Relation Division

**Item:** **Item 11- File 89-96-1-** Resolution authorizing the enrollment of Classification 1364 Special Assistant V into the State Disability Insurance Program.

**Item 12- File 89-96-2-** Resolution authorizing the enrollment of Classification 1362 Special Assistant III into the State Disability Insurance Program.

**Description:** — The proposed resolutions would authorize enrollment of Classifications 1364 Special Assistant V (File 89-96-1) and 1362 Special Assistant III (File 89-96-2) in the State Disability Program (SDI).

SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is .8 percent of the first \$31,767 of gross salary for each employee, with a maximum of \$254.14 annually. While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

The following classifications, which are not represented by a bargaining unit, would be authorized to enroll in the SDI program under the proposed resolutions:

<u>File Number</u>	<u>Classification</u>	<u>Position</u>	<u>Number of Employees</u>
File 89-96-1	1364	Special Assistant V	9
File 89-96-2	1362	Special Assistant III	13

1364 Special Assistant V The Employee Relations Division of the Human Resources Department reports that it has received a petition requesting SDI coverage, signed by five of the nine employees, representing a majority, in the 1364 Special Assistant V classification. The five employees



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requesting SDI coverage work for the following two departments: Mayor's Office (4), and Ethics Commission (1).

1362 Special Assistant III The Employee Relations Division of the Human Resources Department reports that it has received a petition requesting SDI coverage, signed by seven of the 13 employees, representing a majority, in the 1362 Special Assistant III classification. The seven employees requesting SDI coverage work for the following departments: Mayor's Office (5), Ethic's Commission (1), and the City Attorney (1).

**Recommendation:** Approve the proposed resolutions.

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Item 13 - File 172-96-4

**Department:** Public Transportation Commission (PTC)

**Item:** Approving an amendment to the Paratransit Broker Agreement with Cerenio Management Group.

**Agreement Amount:** \$35,156,434

<b>Source of Funds:</b>	Municipal Railway Operating Funds (General Fund monies comprise 12.7 percent, or \$4,057,565, of Muni Operating Funds)	\$14,132,886
	Transportation Authority (Sales Tax funds)	14,976,641
	Commission on Aging (Parking Taxes and Federal grants)	1,898,447
	State Transit Assistance	1,687,509
	Bay Area Rapid Transit Americans with Disabilities Act (ADA) funds	<u>2,460,951</u>
	<b>TOTAL</b>	<b>\$35,156,434</b>

**Description:** The Board of Supervisors previously approved a \$44,319,514 agreement between the City and Cerenio Management Group for the period October 1, 1991 to June 30, 1996 (four years and nine months), for Cerenio Management Group to provide paratransit broker services (File 172-91-4). Paratransit services involve the provision of door-to-door van and taxi services for persons with disabilities. Under the existing agreement, Cerenio Management is responsible for the overall administration of the Paratransit Program. Cerenio Management Group subcontracts with van and taxi companies to provide the direct paratransit services. The PTC advises that approximately 13,000 disabled residents receive over one million paratransit trips per year under the current Paratransit Program.

The PTC is requesting an amendment to the agreement with Cerenio Management Group to extend the agreement for a three-year period, commencing July 1, 1996 and terminating June 30, 1999, at a cost of \$35,156,434. Thus, the total contract would be increased from \$44,319,514 for four years nine months to \$79,475,948 for seven years nine months. According to Ms. Annette Williams of the PTC, the reason this extension is required is that the Paratransit Program must be in complete compliance with the Americans with Disabilities Act (ADA) as of January 26,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

1997. Ms. Williams advises that compliance with the ADA deadline will have a major impact on the Paratransit Program, because the ADA stipulates that Paratransit Programs must be demand-driven. Thus, levels of service in the Paratransit Program cannot be limited by factors such as available revenue.

Ms. William advises that the PTC originally requested a two-year extension of the Paratransit Broker Agreement with Cerenio Management Group, and received Federal Transportation Authority authorization for that two-year extension. The PTC estimated that a two-year extension would be required for the following reasons:

(1) The existing contractor, Cerenio Management Group, had been working with the PTC for four-and-a-half years to bring the Paratransit Program into compliance with the ADA before the January 26, 1997 deadline. The extension would allow Cerenio Management Group to continue its activities in regard to ADA compliance up to the deadline, a seven-month period after the termination of the existing contract.

(2) The contractor selection process for the Paratransit Program requires a minimum of ten months, because the PTC must allow time for a comprehensive disabled community review of the RFP prior to issuing it, as well as a community review of the bids after receipt. This community review period adds at least three months to the competitive bid process, in addition to the time required for RFP preparation, bidding, and bid reviews.

(3) The PTC has no historical data regarding the level of service that will be required after the ADA deadline, because, under the ADA, the level of service will be entirely demand-driven. The two-year extension would allow seven months for the PTC to observe actual demand prior to issuing the RFP. The additional seven months would also allow the start of the new contract to coincide with the start of fiscal year.

In summary, the PTC's originally proposed 24-month contract extension period would provide seven months for Cerenio Management Group to continue its activities in regard to the ADA compliance deadline on January 26, 1997, ten months to implement a competitive bid, and seven months to observe the demand for Paratransit services.

Ms. Williams advises that the Public Transportation Commission has proposed that the extension with Cerenio Management Group be for three years instead of two years, in response to community concerns expressed to the Public Transportation Commission that the two-year extension would be insufficient to observe the actual demand for services. As previously noted, the level of Paratransit services will be based on demand rather than other factors after the ADA deadline. Ms. Williams advises that the PTC then returned to the Federal Transportation Authority and received authorization for the three-year extension.

Based on the \$35,156,434 proposed contract cost, the PTC estimates that the paratransit budgets for Fiscal Years 1996-97, 1997-98 and 1998-99 will be \$11,151,922, \$11,709,518 and \$12,294,994, respectively, for a total of \$35,156,434. As of the writing of this report, the PTC was unable to provide the budget details for these three fiscal years because the PTC does not develop the detailed annual program budgets until the beginning of each fiscal year. Attachment 1 shows budget details, totaling \$10,654,201, for the current fiscal year.

The average cost per month of the existing contract is \$777,535 (based on 57 months at a cost of \$44,319,514), while the proposed contract extension would cost an average of \$976,568 per month (based on 36 months at a cost of \$35,156,434), an increase of 25.6 percent. However, Ms. Williams advises that it would be more reasonable to compare the current year's contract costs with the proposed new contract costs, since the Paratransit Program was not fully operational at the beginning of the current contract period. The current fiscal year's budget for this program is \$10,654,201, or \$887,850 per month. The \$11,151,922 estimated program budget for FY 1996-97 (\$929,327 per month) is \$497,721, or 4.7 percent, more than the current fiscal year's budget of \$10,654,201.

Ms. Williams advises that the proposed \$35,156,434 cost for three years is based on the PTC's estimate that the demand for Paratransit services will increase as a result of the ADA requirement that Paratransit services be demand-driven. The amount of \$35,156,434 is equal to the PTC's estimated Paratransit Program revenue from the above-noted funding sources over the proposed three-year agreement extension period.

**Comments:**

1. Ms. Williams advises that, of the \$10,654,201 total FY 1995-96 contract costs, \$9,199,479, or 86.3 percent, is

designated for payment to subcontractors (van and taxi companies) and the remaining \$1,454,722, or 13.7 percent, is for payment of Cerenio Management Group's administrative costs.

2. Attachment 2, submitted by Ms. Williams, shows the number of paratransit trips provided to disabled persons and the cost per trip.

**Recommendation:** Approval of the proposed three-year extension to the Paratransit Program contract agreement is a policy matter for the Board of Supervisors.



**CERENIO MANAGEMENT GROUP  
PARATRANSIT PROGRAM BUDGET  
JULY 1995 - JUNE 1996**

**BROKER COSTS**

<u>Position</u>	<u>FTE</u>	<u>Salary/Cost</u>	
Broker	1.00	\$60,247.72	
Service. Quality Manager	1.00	36,148.63	
Paratransit Accounts Manager	1.00	37,353.58	
Intake Unit Manager	1.00	34,943.68	
Billing Clerk	2.00	43,378.36	
Intake Clerk	8.00	173,513.42	
Accounts Rep.	4.00	86,756.71	
Service Monitor	2.00	48,198.17	
Service Rep.	1.00	18,074.31	
Access Coordinator	1.00	43,285.67	
Program Developer	1.00	34,735.13	
Assistant RTCDC Prgrm.	1.00	21,596.49	
Total Personnel	24.00		\$638,231.86
Fringe Benefits @	0.31		<u>197,351.88</u>
<b>Total Personnel Costs</b>			<b>836,083.74</b>

**Direct Costs**

Postage Scrip	75,143.60	
Envelopes/Mailers	7,320.00	
Printing Scrip	89,326.00	
Computer Support	36,470.00	
Consultant-2nd Level Cert	10,800.00	
Travel Trainer Consultant	10,965.00	
Certification Forms-Trans/Print	964.00	
Equipment	0.00	
Photographic Film	6,600.05	
<b>Total Direct Costs</b>		<u><b>237,588.65</b></u>
<b>Total Indirect Costs - Incl. G&amp;A</b>		<u><b>249,116.44</b></u>

Net	1,322,788.78
Fee @ 10%	<u>131,932.88</u>

**TOTAL BROKER COSTS** **\$1,454,721.65**

Taxi	4,7600,757.00
Lift-Assist	1,672,709.00
Group-Van	2,661,013.00
ADA Inter-County Service	100,000.00
ADA Visitor Service	5,000.00

**TOTAL SERVICE CONTRACTS** **9,199,479.00**

**TOTAL PARATRANSIT PROGRAM COSTS** **10,654,200.65**

**TOTAL 1995-96 REVENUE** **\$10,654,201.00**

Attachment 2

OFFICE USE ONLY  
 PROPOSED PARATRANSIT BUDGET  
 FY 1995-96

Mode	\$ Amount	Trips	Unit Cost
TAXI	\$4,630,077	557,800	8.30
LIFT-VAN	1,567,539	73,940	21.20
GROUP-VAN			
MV Transportation	1,435,600	194,000	7.40
Delancey	134,000	20,000	6.51
.....Freewheelers	50,000	7,150	6.98(b)
Canon Kip	33,000	5,500	6.00
IPS	523,896	85,700	7.28
Self-Help for the Elderly	26,235	3,500	7.21
GROUP VAN SUBTOTAL	2,301,731	315,850	7.29
INTERCOUNTY			
Taxi	74,300	8,950	8.30
Lift-van	25,700	1,100	21.28
Visitors	2,500	275	9.00
«PUC SUBTOTAL»	8,601,847	957,915	
COA	597,632(c)	84,600(d)	6.50
SERVICE TOTAL	9,199,479	1,042,515	
BROKER	1,454,722		
PROGRAM TOTAL	10,654,201	1,042,515	

(a) 3% COLA

version 06/06/95

(b) InterCounty budget includes:

To San Mateo County	\$ 80,000
To Marin County	5,000
For other Bay Area residents	15,000
Total	\$100,000

(c) Includes Broker cost = \$47,811. Service level budget = \$549,821

(d) Pre contract estimate.

File budget055 50

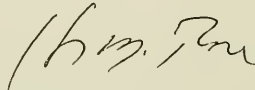
Memo to Government Efficiency and Labor Committee  
March 26, 1996 Government Efficiency and Labor Committee Meeting

Item 14 - File 7-96-2

1. This is a hearing to evaluate and examine evening and night ridership on Municipal Railway buses throughout the City with the possibility of using smaller, less costly vehicles and/or re-routing of current patterns or shifting buses from low to high volume areas.

2. Mr. Philip Adams, Director of Public Transportation, advised the Budget Analyst that the Municipal Railway plans to report directly to the Government Efficiency and Labor Committee meeting regarding studies and analysis which have been done by Municipal Railway on the feasibility of using smaller transit vehicles in the evening and night hours.

3. The Budget Analyst is in process of conducting a management audit of the Municipal Railway, pursuant to Proposition J. The cost effectiveness of using smaller transit vehicles will be reviewed during the management audit.

  
Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Teng  
Supervisor Yaki  
President Shelley  
Supervisor Kaufman  
Supervisor Migden  
Supervisor Alioto  
Supervisor Bierman  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Sam Yockey  
Paul Horcher  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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4/9/96

# CALENDAR

## GOVERNMENT EFFICIENCY & LABOR COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

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### REGULAR MEETING

TUESDAY, APRIL 9, 1996, 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 410

MEMBERS: Supervisors Tom Ammiano, Mabel Teng, Michael Yaki

CLERK: Mary Red

\* \* \* \* \*

### Disability Access

Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F Line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.



REGULAR CALENDAR

1. File 62-96-1. [Lake Merced Restaurant/Bar Lease Amendment] Ordinance approving a lease amendment with the Lake Merced Restaurant and Bar extending the Agreement to May 31, 2002. (Recreation and Park Department)

ACTION:

2. File 65-96-4. [Land Lease, SFUSD - PTC] Ordinance authorizing and approving a thirty-five year lease with the San Francisco Unified School District, of certain school district property, located at Newcomer High School; and ratifying previous actions. (Public Transportation Commission)  
(Continued from 3/26/96)

ACTION:

3. File 65-96-5. [Library Foundation Lease] Ordinance approving a memorandum of understanding between the San Francisco Public Library and the Library Foundation of San Francisco for use of space in the new Main Library building for the performance of library-related services, generation of revenues for Library Department purposes and assurance of private funds to provide support on an ongoing basis for the San Francisco Public Library system; and authorizing and approving certain agreements directly with the Library Foundation as contemplated by such MOU, including a lease of office space and an agreement giving the Foundation the right to manage the meeting rooms, auditorium and other space for private functions and special events and to charge fees for such uses. (Supervisors Kaufman, Alioto)

ACTION:

4. File 25-96-3. [Prop. J Contract, Parking Management Services] Resolution approving the Controller's certification that parking management services for San Francisco International Airport can practically be performed by private contractor at a lower cost for the year commencing July 1, 1996 than if work were performed by City employees at budgeted levels. (Airport)

ACTION:

5. File 25-96-4. [Prop. J Contract, Security Guard Services] Resolution concurring with the Controller's determination that security guard services can practically be performed at the Bureau of Engineering and Construction Management Offices at 1680 Mission Street by private contractor for a lower cost than if the services were performed by City employees. (Department of Public Works)

ACTION:

6. File 64-96-2. [Lease of Property/720 Sacramento St.] Resolution authorizing a lease of real property at 720 Sacramento Street, San Francisco, for the Chinatown Children's Development Center of the Mental Health Division of the Department of Public Health. (Real Estate Department)

ACTION:

7. File 172-96-5. [CCSF - Mission Clay Products Agreement] Resolution approving the agreement between the City and County of San Francisco and Mission Clay Products, a division of MCP Industries, Inc. (Public Utilities Commission)

ACTION:

8. File 172-96-6. [State Mental Health Performance Contract] Resolution approving the San Francisco City and County Performance Contract for Mental Health Services in Fiscal Year 1995-96. (Department of Public Health)

ACTION:

9. File 107-95-4. [Child Welfare and Foster Care Programs] Hearing to consider San Francisco's child welfare and foster care programs. (Supervisors Ammiano, Bierman) (Continued from 3/26/96)

(NOTE: THE CHAIR INTENDS TO ENTERTAIN A MOTION TO CONTINUE THE ABOVE ITEM TO THE CALL OF THE CHAIR.)

ACTION:

10. File 162-96-1. [Annual Joint Fundraising Drive] Hearing to consider the Annual Joint Fundraising Drive. (Clerk of the Board)

APPLICANTS: The Progressive Way  
Earth Share of California  
Environmental Federation of California, Inc.  
Local Independent Charities of America (LIC)  
The United Way  
Combined Health Appeal of California  
Bay Area Black United Fund, Inc. (BABUF)

11. File 97-96-10. [Myanmar, Burma] Ordinance amending Administrative Code by adding Chapter 12J, Sections 12J.1 to 12J.9 to prohibit contracts for personal services with those who do business in or with Burma (Myanmar) and prohibit the purchase of commodities produced in or provided by those who do business in or with Burma (Myanmar). (Supervisors Ammiano, Bierman, Alioto)

ACTION:

12. File 245-96-1. [Election of Supervisors] Hearing to consider proposals to reform the method of election of members of the Board of Supervisors and related matters. (Supervisor Ammiano)

ACTION:

SPECIAL ORDER - 2:00 P.M.

13. File 7-96-2. [Municipal Railway Evening Services] Hearing to evaluate and examine evening and night ridership on Municipal Railway buses throughout the City with the possibility of using smaller, less costly vehicles and/or re-routing of current patterns or shifting buses from low to high volume areas. (Supervisor Yaki)  
(Continued from 3/26/96)

ACTION:

LITIGATION

The Government Efficiency and Labor Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(a) to discuss proposed settlements of the lawsuits listed below, these lawsuits involving the City and County of San Francisco. This motion would be made on the basis that discussion in open session of these proposed settlements would prejudice the position of the City in these lawsuits.

14. File 45-96-20. [Tedral L. Thompson, v. CCSF] Ordinance authorizing settlement of litigation of Tedral L. Thompson against the City and County of San Francisco by payment of \$7,500. (Superior Court No. 962-340). (City Attorney)

ACTION:

15. File 45-96-21. [Guillermo Lopez v. CCSF] Ordinance authorizing settlement of litigation of the City's cross-complaint in Lopez against the City and County of San Francisco. (Superior Court No. 952-731). (City Attorney)

ACTION:

16. File 48-96-11. [Settlement of Claim, Grange Insurance Group] Resolution approving the settlement of the unlitigated claim of Grange Insurance Group (insured, Steve Young) by payment of \$7,665.56. (City Attorney)

ACTION:

The Government Efficiency and Labor Committee of the Board of Supervisors may find that it is in the best interests of the City not to disclose any information revealed in its closed session deliberations in the proposed settlements listed above at this time and may move not to disclose any information at this time.

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 308  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

Bill Lynch  
Documents Section  
Public Library-Main Branch  
Civic Center

(41)

Public Library, Documents  
Dept  
ATTN: Kate Winger

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

**REVISED**

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April 5, 1996

APR 9 1996

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**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst  
**SUBJECT:** April 9, 1996 Government Efficiency and Labor Committee Meeting

Item 1 - File 62-96-1

**Department:** Recreation and Park Department  
**Item:** Ordinance approving a lease amendment with the Lake Merced Boathouse Restaurant and Bar, extending the agreement to May 31, 2002  
**Location:** Lake Merced  
**Purpose of Lease:** Lessee to continue operating the Lake Merced Boathouse Restaurant and Bar  
**Lessee:** Desert Lake Development, Inc.  
**Lessor:** Recreation and Park Department  
**Annual Cost:** \$84,000 minimum annual guarantee, or eight percent of gross revenue, whichever is greater  
**Term of Lease:** June 1, 1987 to May 31, 1997 (ten years)  
**Term of Extension:** June 1, 1997 to May 31, 2002 (five years)

**Utilities and Janitor**

**Provided by Lessee:** Lessee supports the cost for all utilities and janitorial services

**Description:**

The City owns the restaurant facility that houses the Lake Merced Boathouse Restaurant and Bar. The Lake Merced Boathouse Restaurant and Bar is currently operated by Mr. Joe Fernando, owner of Desert Lake Development, Inc. (Desert Lake). The term of the current lease is June 1, 1987 through May 31, 1997, with a five-year option to renew. The original lease was awarded to Mirage Investments, Inc. on June 1, 1987. Although that lease agreement was approved by the Board of Supervisors, the lease was assigned to Row Row Row Your Boat, Inc. on June 15, 1989 and then was subsequently assigned to the present operator, Desert Lake Development, Inc. on June 21, 1990. None of those assignments were subject to approval by the Board of Supervisors. This proposed ordinance would amend the lease with Desert Lake by extending the term of the agreement by five years to May 31, 2002.

The reason that the Recreation and Park Department (RPD) is requesting this lease amendment, rather than the 5-year lease extension provided for in the current lease (which would not be subject to the separate approval of the Board of Supervisors), is that, under the current lease, the terms of the lease must remain the same if the lease is extended, and the amount of rent may not be increased. The proposed rent of \$84,000 per year or eight percent of gross revenue, whichever is higher, is an increase over the current lease, which establishes a rent of \$81,000 per year or seven percent of gross revenue, whichever is greater. Mr. Isaac Wang of the RPD advises that the lessee has never collected enough gross revenue to pay a percent of gross revenue as rent, but has always paid the minimum annual amount, currently \$81,000 per year. The proposed annual rent of \$84,000 per year represents a \$3,000, or 3.7 percent, increase over the current rent.

Mr. Fernando, who owns Desert Lake and personally operates the restaurant, is currently proposing to sell the Lake Merced Boathouse Restaurant and Bar business. (The City owns the facility where the Lake Merced Boathouse Restaurant and Bar is located, but not the business itself.) According to the terms of the proposed lease amendment, if Desert Lake assigns the lease to any other party, Desert Lake would guarantee the rent for the remaining term of the lease, until May 31, 2002. To secure this guarantee, the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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CITY AND COUNTY



OF SAN FRANCISCO

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**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

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April 5, 1996

APR 09 1996

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**TO:** // Government Efficiency and Labor Committee  
**FROM:** // Budget Analyst *Recommendation for meeting*  
**SUBJECT:** April 9, 1996 Government Efficiency and Labor Committee Meeting

Item 1 - File 62-96-1

**Department:** Recreation and Park Department

**Item:** Ordinance approving a lease amendment with the Lake Merced Boathouse Restaurant and Bar, extending the agreement to May 31, 2002

**Location:** Lake Merced

**Purpose of Lease:** Lessor to continue operating the Lake Merced Boathouse Restaurant and Bar

**Lessor:** Desert Lake Development, Inc.

**Lessee:** Recreation and Park Department

**Annual Cost:** \$84,000 minimum annual guarantee, or eight percent of gross revenue, whichever is greater

**Term of Lease:** June 1, 1987 to May 31, 1997 (ten years)

**Term of Extension:** June 1, 1997 to May 31, 2002 (five years)

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The reason that the Recreation and Park Department (RPD) is requesting this lease amendment, rather than the 5-year lease extension provided for in the current lease (which would not be subject to the separate approval of the Board of Supervisors), is that, under the current lease, the terms of the lease must remain the same if the lease is extended, and the amount of rent may not be increased. The proposed rent of \$84,000 per year or eight percent of gross revenue, whichever is higher, is an increase over the current lease, which establishes a rent of \$81,000 per year or seven percent of gross revenue, whichever is greater. Mr. Isaac Wang of the RPD advises that the lessee has never collected enough gross revenue to pay a percent of gross revenue as rent, but has always paid the minimum annual amount, currently \$81,000 per year. The proposed annual rent of \$84,000 per year represents a \$3,000, or 3.7 percent, increase over the current rent.

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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

RPD intends to keep the security deposit previously obtained from Mr. Fernando in the amount of \$25,000, Mr. Wang advises. (This security deposit is labeled a "Faithful Performance Bond" in the original lease agreement, but it is in fact a security deposit, according to Mr. Wang.) In addition, the forthcoming assignment would require an additional security deposit of \$25,000, for a total security deposits of \$50,000, according to Mr. Phil Arnold of the RPD.

The previous lease assignments were not subject to the approval of the Board of Supervisors because the RPD is presently not required to obtain Board of Supervisors approval for assignments of leases of real property, according to Mr. Phil Arnold.

According to Mr. Ted Lakey of the City Attorney's Office, whether or not the assignment of a lease to a different lessee is subject to Board of Supervisors approval is determined on an agreement-by-agreement basis. Mr. Lakey reports that the Municipal Code does not require that all lease assignments be subject to Board of Supervisors approval. In this case, the proposed lease amendment provides that "any and all business assumption [i.e., sale of the business] and lease assignment must be approved by the Recreation and Park Commission." The proposed lease amendment currently does not provide that any and all business assumptions and lease assignments must be approved by the Board of Supervisors.

**Comments:**

1. Mr. Wang advises that the proposed rental cost for the lease extension of \$84,000 per annum or eight percent of profits, whichever is larger, represents fair market value for the property. The Attachment provided by Mr. Wang documents the \$84,000 per annum rent. According to Mr. Harry Quinn of the Department of Real Estate, this proposed lease is entirely administered by the RPD and is not under the review of the Department of Real Estate.

2. Mr. Wang advises that the buyer who has been located by Desert Lake for the Lake Merced Boathouse Restaurant and Bar is Mr. Chor Lee. Mr. Lee has run the Alameda Golf Course Restaurant for twelve years, and is financially sound, Mr. Wang advises. However, Mr. Wang advises that the lease is to be assigned based on further cash flow analysis. If the Recreation and Park Commission approves the lease assignment, the assignment would take place within 90 days of the present date.

3. Subsequent to Board of Supervisors approval of the lease in 1987 with Mirage Investments, Inc., this lease has been assigned two times and is expected to be assigned for a third time in the near future. Although this lease does not require the Recreation and Park Department to obtain approval from the Board of Supervisors for such assignments, nothing precludes such Board approval if the lease would so require Board of Supervisors approval. Given the numerous assignments of this lease, the Budget Analyst believes that all future assignments of this lease should be subject to Board of Supervisors approval. While the Board of Supervisors did approve the original lease, it was with Mirage Investments, Inc. in 1987. The Board was never given the opportunity to approve the two subsequent transfers of this lease to Row Row Row Your Boat in 1989 and to Desert Lake in 1990 and the Board of Supervisors will not have approval authority for the pending assignment to Mr. Chor Lee.

**Recommendations:**

1. Since Mr. Arnold advises that the pending assignment to Mr. Chor Lee was predicated on the existing lease provisions as previously approved by the Recreation and Park Commission, direct a letter to the Recreation and Park Department requesting that an amendment be made to the existing lease of the Lake Merced Boathouse Restaurant and Bar so that all future assignments, subsequent to the pending assignment to Mr. Chor Lee, must be subject to approval of the Board of Supervisors and request a written response from the Department on this matter.

2. Approve the proposed ordinance.

## City and County of San Francisco

## Recreation and Park Department

AttachmentVIA FAX: 415-252-0461

April 5, 1996

Karen Sikkenga  
Budget Analyst**RE: Lake Merced Boathouse Restaurant - Fair Market Rent**

Dear Karen:

According to our research and analysis regarding the subject, this Department considers the minimum annual guaranteed rent of \$84,000 or 8% percentage rent for the subject is a fair market rent. The comparables are drawn from several municipal golf course restaurants to derive this conclusion.

If you have any questions about the subject fair market rent, please feel free to call me at 415-666-7024.

Sincerely,

A handwritten signature in black ink, appearing to read "Isaac Wang".

Isaac Wang  
Property Manager

cc: Phil Arnold





Item 2 - File 65-96-4

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 26, 1996.

**Department:** Department of Real Estate  
San Francisco Unified School District (SFUSD)  
Public Transportation Commission

**Item:** Ordinance authorizing and approving a new 35 year lease with the San Francisco Unified School District, of certain school district property, located at Newcomer High School; and ratifying previous actions.

**Location:** Newcomer High School, located at 2340 Jackson Street (near the corner of Jackson Street and Fillmore Street)

**Purpose of Lease:** Restroom facility for Municipal Railway (MUNI) Platform Operators (drivers).

**Lessor:** San Francisco Unified School District

**Lessee:** Public Transportation Commission

**No. of Sq. Ft.:** Approximately 289 square feet

**Annual Cost:** \$1.00 per year payable by the Municipal Railway to the San Francisco Unified School District.

**Term of Lease:** Retroactive to June 1, 1995 through May 30, 2030 (35 years)

**Utilities and Janitor**  
**Provided by Lessor:** MUNI would be responsible for all utilities, including maintenance of the restroom facility.

**Source of Funds:** MUNI's operating budget

**Description:** The proposed lease for 289 square feet of land would be used to construct a restroom facility for MUNI Platform Operators. According to Mr. Ken Jew of the Public Transportation Commission (PTC), at the request of the MUNI Transit Operators' Union, the PTC is constructing a Platform Operator restroom for use by Platform (transit) Operators at the end of the 24 Divisadero line. Mr. Jew indicates that Platform Operators currently do not have any separate available restroom facility at this location operated by the City.

The provisions of the Memorandum of Understanding (MOU) which was previously approved by the Board of Supervisors, states that "the City will attempt to provide usable restroom facilities as near as possible to the end of the line."

**Comments:**

1. The PTC would be responsible for the construction costs associated with the proposed operator restrooms which are estimated to cost \$83,000 to be funded from Proposition B Half-Cent Sales Tax monies. According to Mr. Jew, the County Transportation Authority approved funding for the \$83,000 in construction costs at the Newcomer High School in March of 1995.

2. According to Mr. Jew, San Luis Gonzaga Construction, Inc. was selected as the construction contractor. San Luis Gonzaga Construction, Inc. meets the Disadvantaged Business Enterprise requirements (DBE) of the Public Transportation Commission and the contract.

3. The annual operating costs of the proposed operator restroom are estimated at \$3,250. These costs would be funded through MUNI's operating budget.

4. As previously noted, the Board of Supervisors has approved the MOU which states that the City would attempt to provide the subject restroom facilities.

5. This item was continued by the Board of Supervisors at its Government Efficiency and Labor Committee meeting of March 26, 1996, in order to provide MUNI additional time to (1) explore an alternative site location for the restroom inside the Calvary Presbyterian Church, located at Jackson and Fillmore Streets, and (2) provide the Government Efficiency and Labor Committee with copies of correspondence between MUNI and other City departments pertaining to disabled access issues at the Calvary Presbyterian Church.

Attached is a copy of a memo provided by Mr. Phil Adams, Director of Public Transportation, to Mr. Nothenberg, President of the Public Transportation Commission which states that MUNI intends to proceed with the proposed site location at Newcomer High School at Jackson and Fillmore Streets, and explains why the restroom cannot be located inside the Calvary Presbyterian Church. Mr. Jew advises that the Municipal Railway has provided the other correspondence requested by the Government Efficiency and Labor Committee directly to the Committee.

Memo to Government Efficiency and Labor Committee  
April 9, 1996 Government Efficiency and Labor Committee Meeting


**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



SAN FRANCISCO MUNICIPAL RAILWAY 949 PRESIDIO AVENUE, SAN FRANCISCO, CALIF 94115 • 415-673-6864

MEMORANDUM

To: Rudy Nothenberg, President, Public Transportation Commission

From: Philip H. Adams,  Director of Public Transportation

Subject: Operator Restroom Project

Date: April 1, 1996

This is to inform you that we intend to notify the project contractor to proceed immediately with the construction of the Muni operator restrooms at the Lyon & Greenwich and Jackson & Fillmore sites. Muni staff has investigated the suggested alternatives, as directed by the Public Transportation Commission.

Lyon & Greenwich

We find that the contract alternative suggested at Lyon & Greenwich does not meet our needs for the following reasons:

- 1) Days of operation (closed on Mondays);
- 2) Hours of operation (closed early mornings and late evenings);
- 3) Distance from terminal (over 2 blocks); and
- 4) Long-term commitment (owner not willing to commit long term).

All approvals have been received for this site. Consequently, we plan to proceed with the construction of an operator restroom at this site immediately.

Jackson & Fillmore

The Board of the Calvary Presbyterian Church has notified us by phone that they cannot enter into an agreement with Muni for restroom modification and use at this time. The main concerns stated were:

- 1) Long-term agreement (church does not want to be constrained in designing and constructing their seismic retrofit); and
- 2) Accessibility (landmark concerns).

Although we have still not received anything in writing from the church, the church has promised that a letter is forthcoming. I will transmit a copy to you as soon as I receive it.

All approvals have been received for this site, except final Board approval of the lease with the School District for a portion of this site. We are pursuing this with the Board. We plan to proceed with the construction of an operator restroom at this site immediately.

PHA/DJW:djw

cc: Justin Cohen  
Patricia Vaughey  
David Behlmer, President, Calvary Presbyterian Church  
Dr. Laird Stuart, Head Pastor, Calvary Presbyterian Church  
Mary Hannl, Calvary Presbyterian Church

PH: 415-673-6864



Item 3 - File 65-96-5

**Department:** Public Library

**Item:** Ordinance approving a memorandum of understanding (MOU) between the San Francisco Public Library and the Library Foundation of San Francisco for use of space in the new Main Library building for the performance of Library-related services, generation of revenues for Library Department purposes, and assurance of private funds to provide support on an ongoing basis for the San Francisco Public Library System; and authorizing and approving certain agreements directly with the Library Foundation as contemplated by such MOU, including a lease of office space and an agreement giving the Foundation the right to manage the meeting rooms, auditorium and other space for private functions and special events and to charge fees for such uses.

**Description:** The proposed ordinance would approve a Memorandum of Understanding (MOU) between the Public Library and the Library Foundation, a non-profit public benefit corporation. The Library Foundation is a single-purpose, non-profit public benefit corporation devoted to raising funds for the Public Library. The proposed MOU has three components, as follows:

(1) The MOU would commit the Library Foundation to an annual cash contribution to the Public Library of not less than \$300,000.

(2) The Public Library would grant the Library Foundation the use of 1,260 square feet of office space in rooms 651A and 651B, on the sixth floor of the new Main Library. In lieu of rent, the Library Foundation would make an annual unrestricted cash gift to the Public Library of \$21,600. This cash gift in lieu of rent would be in addition to the \$300,000 cash contribution commitment. The proposed ordinance would authorize the Director of Property and the City Librarian to prepare a lease for this office space, and would authorize the Mayor and the Clerk of the Board of Supervisors to execute the lease, on substantially the same terms and conditions as set forth in the proposed MOU. In other words, approval of this proposed MOU by the Board of Supervisors would provide advance approval of the lease, which would follow the terms set forth in the MOU. A separate lease agreement would not be subject to Board of Supervisors approval.

(3) The Public Library would enter into a management agreement with the Library Foundation, under which the Library Foundation would manage special events space in the new Main Library, for private functions and events. All gross revenues generated from such special events would be paid directly to the Public Library, and the use of such funds by the Public Library would be unrestricted by the Library Foundation. The Library Foundation would receive an annual management fee of \$100,000 plus 10 percent of gross revenues from management of the special events, not to exceed a combined total of \$200,000 (see Comment No. 8). The proposed ordinance would authorize the Director of Property and the City Librarian to prepare a management agreement, and would authorize the Mayor and the Clerk of the Board of Supervisors to execute the management agreement, on substantially the same terms and conditions as set forth in the proposed MOU. In other words, approval of this proposed MOU by the Board of Supervisors would provide advance approval of the management agreement, which would follow the terms set forth in the MOU.

**Comments:**

1. The terms of the three provisions of the MOU -- the funding commitment, the lease of office space, and the management agreement would commence upon the opening of the new Main Library, which is currently scheduled for April 18, 1996, and expire on June 30, 1999, for a total of approximately 3 years and 2 1/2 months. Each provision could be extended by the Public Library beyond the expiration date on a year-to-year basis. The Public Library or the Library Foundation could terminate any of the agreements with 90 days' written notice to the other party.
2. The proposed ordinance would authorize the Director of Property and the City Librarian to negotiate directly with the Library Foundation, rather than conducting a competitive bid process. Mr. David Price of the Library states that the Library Foundation is a single-purpose organization, dedicated to fundraising for the Public Library. Mr. Price states that the Library would provide space to the Library Foundation and enter into a special events management agreement with the Library Foundation exclusively to further this purpose of raising funds for the Public Library.
3. The Library Foundation was formed in the late 1980s to assist the Public Library with the planning and equipping of the new Main Library. The City and the Library Foundation entered into a New Main Funding Agreement in 1991, previously approved by the Board of Supervisors,

which sets forth the terms and conditions under which the Library Foundation gives private funds to the City to pay for specified capital costs that were not eligible for bond funding, such as furnishings and equipment, at the new Main Library. To date, Mr. Price reports that the Library Foundation has contributed a total of \$25 million for this purpose, as well as another \$5.4 million for other Library projects such as the renovation of the Chinatown Branch Library, and \$1.9 million to establish endowment funds for the Public Library as a whole, as well as for the Gay & Lesbian and African American Centers in the new Main Library. The proposed MOU would not affect the pre-existing New Main Funding Agreement.

The Library Foundation plans to expand its mission to include raising funds to support multi-year projects, with a focus on capital improvement and materials acquisition projects, throughout the Public Library system.

4. The Board of Supervisors recently approved an MOU (File 65-96-3) with the Friends of the San Francisco Public Library (the Friends), providing for lease of office and gift shop space in the new Main Library, in exchange for an annual funding commitment of approximately \$50,000. Mr. Price states that the proposed MOU with the Library Foundation would not interfere with activities of the Friends in support of the Public Library, because the Library Foundation would focus on multi-year capital projects, whereas the Friends focuses on raising funds for supporting special multi-year programs and activities that encourage public use of the Public Library.

5. The MOU outlines a process in which the City Librarian would periodically submit to the Library Foundation a proposal for supplemental funding from the Library Foundation's \$300,000 annual contribution commitment. The Library Foundation would notify the City Librarian as to its willingness to fund the proposal. The Library Foundation would either advance funds to the Public Library or pay project costs directly.

6. Mr. Steve Legnitto of the Department of Real Estate (DRE) states that the cash gift in lieu of rent established in the proposed MOU for the office space (\$21,600 per year) represents the fair market value of the space.

7. As noted above, the management fee payable by the City to the Library Foundation would be \$100,000, plus 10 percent of gross revenues from management of the special events, not

to exceed a combined total of \$200,000. Ms. Marsha Daniels of the Library Foundation states that the Library Foundation expects to employ one full time staff person and one part time staff person to perform this management function, with anticipated salary expenses of approximately \$60,000 plus related costs including fringe benefits. Mr. Legnitto states that the base payment of \$100,000 is intended to cover staff expenses and some office expenses. Mr. Legnitto advises that other City agreements with for profit entities, for the management of events, provide that the City receives approximately 25 percent of the gross revenues from the events, while 75 percent of gross revenues are retained by the events manager. The DRE believes that a management fee of \$100,000 plus 10 percent of gross revenues is equal to or less than the fair market value of the management services.

Mr. Legnitto further states that, according to the MOU, the management fee would be payable to the Library Foundation at the end of each fiscal year, in arrears. Therefore, the source of funds for the management fee is anticipated to be the special events revenues themselves, rather than the General Fund. In a worst case scenario, if the special events yield less than \$100,000 in annual gross revenues, payment of the management fee would in effect reduce the \$300,000 annual contribution commitment of the Library Foundation. Mr. Legnitto states that the DRE believes that it is highly unlikely that the special events will yield less than \$100,000 in annual gross revenues. He advises that in such a case, the Public Library could exercise its right to terminate the management agreement.

Mr. Price states that, given the Library Foundation's fundraising track record, he is confident that the Library Foundation will be successful at management of the special events space.

8. During the open hours of the new Main Library, space on the lower level of the building would be available for special events. This lower level of the building is separately accessible, so attendees would not enter through the principal entrance to the new Main Library. This space includes a cafe and catering space, a 260-seat auditorium, and meeting rooms. During hours when the new Main Library is not open to the public, this special events space would be supplemented by the main atrium gallery and the roof garden of the new Main Library, as well as special centers developed in the new Main Library through private



donations, such as the Gay/Lesbian Center, the Chinese American Center, and the Environmental Center.

The Library Foundation would manage use of the special events space for fundraising events for the Public Library; receptions, private parties and special non-City events; and lectures or presentations in the auditorium for which the Foundation could charge admission fees. The fees would be established by the Library Foundation. Mr. Legnitto states that the fees will have to be set at least high enough to cover the expenses of the Public Library in providing utilities, security and maintenance for the events, based on the MOU, as well as the \$100,000 base management fee. Mr. Legnitto states that establishment of the fees is a business decision that should be made by the Library Foundation, based on their fundraising experience.

Mr. Price states that the new Main Library collection and facilities will be protected from damage, because the MOU requires that the City Librarian provide security and janitorial services for all events. In addition, the City Librarian provides rules and regulations on the use of public space to further protect the facility from public misuse.

As stated earlier, all gross revenues from such use of space in the new Main Library would be paid by the Library Foundation to the City. The Public Library would provide utilities, security and janitorial service for such events. The fees charged to users of the space would be established to pass through the costs of such City services. In other words, the Library Foundation would establish a base fee, which would be adjusted on a case-by-case basis to include the City Librarian's estimate of the costs of providing utilities, security and janitorial services for the event.

9. The proposed MOU would permit the Library Foundation to assign or subcontract the management services to a commercial operator. The selection of such an operator would be made through the Library Foundation's Request For Proposal process, subject to approval by the City Librarian and the Director of Property. Ms. Betsy Dietrich of the City Attorney's Office states that, if the Library Foundation does retain a private operator to handle all or part of its event management obligations, such operator would not be entitled to use the office space to be leased to the Library Foundation under the proposed MOU.



Mr. Price states that it is not anticipated at this time that the Library Foundation would subcontract the entire management services. Rather, Mr. Price advises that the purpose of this provision is to enable the Library Foundation to obtain occasional specialized services for fundraising events, as needed. However, the MOU would potentially permit the Library Foundation to assign or subcontract the entire management services, while retaining its oversight and fiduciary obligations under the management agreement.

10. The Library Foundation would be required to provide the Public Library with quarterly reports of income and expenses related to events management. The Library Foundation would submit an independently prepared audit of its operations to the City on an annual basis. Records of the Library Foundation and the commercial operator, if any, would be subject to audit by the City.

11. The Library Foundation would maintain, or require its operator to maintain, liability coverage and other insurance required by the City's Risk Manager. The Library Foundation would indemnify the City for any and all losses arising out of the use of the event space under the agreement, other than claims arising from construction defects of the building or the City's gross negligence.

12. The proposed MOU states that during the hours for which the new Main Library is open to the public, the Public Library would have the first priority for use of the events space. The Public Library would have the right to displace scheduled Library Foundation events up to 30 days prior to a scheduled event. All events at the building would be centrally scheduled by the Office of the Chief of the Main Library.

The Library Foundation would have the first priority to schedule events during hours for which the new Main Library is not open to the public. The Public Library could use such space during after hours free of charge, but would have to schedule such use at least 3 months in advance, provided that the Library Foundation had not already scheduled a conflicting event.

Mr. Price states that the Public Library plans to program at least 60 hours of free events at the new Main Library per week during regular open hours. Mr. Price reports that this is the same level of events programming that was conducted at the old Main Library. Mr. Price advises that

the Public Library does not have current plans to sponsor after hours events at the new Main Library.

13. Mr. Price advises that the New York, Denver and Los Angeles Public Libraries have begun similar programs, using rental of the main library events space as a fund raising vehicle. Mr. Price states that, while there are few other public libraries have such programs, many museums lease space after hours for special events.

**Recommendation:** Approval of the proposed ordinance, which would approve an MOU between the Public Library and the Library Foundation, is a policy decision for the Board of Supervisors.



Item 4 - File 25-96-3

**Department:** Airports Commission

**Item:** Resolution to approve the Controller's certification that parking management services for the San Francisco International Airport can continue to be practically performed by a private contractor at a lower cost for Fiscal Year 1996-97 than if the work were performed by City and County employees.

**Services to be Performed:**

Parking management services include: a) parking fee collection, b) parking lot security, c) janitorial services, d) traffic control in and out of parking lots, e) taxicab dispatch operations, and f) valet parking.

**Description:**

Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for parking management services at San Francisco International Airport for FY 1996-97 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$10,192,026	\$12,747,850
Fringe Benefits	3,162,102	3,501,046
Operating Expenses	<u>1,218,300</u>	<u>1,218,300</u>
Total	\$14,572,428	\$17,467,196
<u>Contractual Services Cost</u>	<u>11,618,324</u>	<u>11,618,324</u>
<u>Estimated Savings</u>	\$2,954,104	\$5,848,872

**Comments:**

1. Parking management services were first certified as required by Charter Section 8.300-1 in 1980 and have been provided by an outside contractor since 1971.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. The Airports Commission is currently contracting with AMPCO System Parking Company for the provision of these parking management services. The term of this contract is July 1, 1995- June 30, 1996. AMPCO has provided parking management services to the Airport for the last five years under a one-year contract that had four one-year renewal options, which expire on June 30, 1996.

3. The Contractual Services Cost used for the purpose of this analysis is the current contractor's estimate of the costs to provide parking management services for FY 1996-97. AMPCO was one of five bidders for the parking management services for FY 1996-97 and has been awarded the contract. The initial term is for one year with four one-year renewal options. AMPCO was selected on the basis of its low bid based on management fees.

4. Mr. Fred Strong of the Airport advises that the Airport will begin operating a new five-level parking lot (Garage DD), which has a total capacity of 3,000 vehicles, by September of 1996. This parking lot is located two miles north of the Airport on San Bruno Avenue. This new operation, as well as increased security alerts required by the Federal Aviation Administration (FAA), and additional security and traffic control needed for specific areas of the Airport (Court Yards 2,3 and 4), have resulted in higher total projected costs for both City-Operated service costs and contractual services costs for FY 1996-97.

The total projected City-operated costs for FY 1996-97 have increased by \$2,516,268 and \$3,565,097 (lowest and highest salary step, respectively) from \$12,056,160 (FY 1995-96) to \$14,572,428 (FY 1996-97) for the lowest salary step and from \$13,902,099 (FY 1995-96) to \$17,467,196 (FY 1996-97) for the highest salary step. The total projected contractual service costs for FY 1996-97 has increased by \$2,574,790 from \$9,043,534 (FY 1995-96) to \$11,618,324 (FY 1996-97).

5. The Airport Commission reports that AMPCO's employee workforce plan has been approved by the Human Rights Commission, and AMPCO employees receive health care benefits.

6. The Controller's supplemental questionnaire with the Airport Commission's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.



CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE


Department: Airports Commission

For Time Period: 7/1/96 to 6/30/97

Contract Services: Airport Public Automobile Parking Facilities  
Operating Agreement

- 1) *Who performed services prior to contracting out?*  
This service has always been contracted out. It has never been operated by City personnel.
- 2) *Number of City employees laid off as a result of contracting out?*  
None.
- 3) *Explain disposition of employees if they were laid off.*  
Not applicable - always contracted out.
- 4) *What percent of a City employee's time is spent on services to be contracted out?*  
Not applicable - always contracted out
- 5) *How long have the services been contracted out?*  
Services have been contracted out since October 16, 1971.
- 6) *What was the first fiscal year for a Proposition J Certification?*  
Fiscal Year 1980/81.
- 7) *How will contract services meet the goals of your MBE/WBE Action Plan?*  
The contractor shall meet the City's Chapter 12B, affirmative action requirements for employment of minority and women, monitored quarterly by HRC. In addition, the Airport required the contractor to use "best efforts" to contract at least 30% of the total annual service expenses (i.e. janitorial, security, auditing, uniforms, etc.) to minority owned businesses and 5% to woman owned businesses.

*Department Representative:*

  
Duke Briscoe  
Deputy Director  
Operations

January 10, 1996

Telephone: (415) 876-2112



Item 5 - File 25-96-4

**Department:** DPW  
Bureaus of Engineering and Construction Management

**Item:** Resolution to approve the Controller's certification that security guard services at 1680 Mission Street for the Bureaus of Engineering and Construction Management of the DPW can continue to be practically performed by a private contractor at a lower cost for Fiscal Year 1996-97 than if the work were performed by City and County employees.

**Services to be Performed:** Security guard services include the provision of one guard to monitor and patrol the offices of the DPW's Bureaus of Engineering and Construction Management located at 1680 Mission Street, during office hours and after office hours as requested by the DPW.

**Description:** Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for security guard services at 1680 Mission Street for the DPW's Bureaus of Engineering and Construction Management for FY 1996-97 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$54,477	\$64,331
Fringe Benefits	<u>20,167</u>	<u>22,289</u>
Total	\$74,644	\$86,620
<u>Contractual Services Cost</u>	<u>36,540</u>	<u>36,540</u>
<u>Estimated Savings</u>	\$38,104	\$50,080

**Comments:**

1. Security guard services were first certified as required by Charter Section 8.300-1 in 1991 and have been provided by an outside contractor since 1991.
2. The DPW has contracted with McCoy's Patrol Services to perform security guard services since March 13, 1991. The original contract term was for two years (through March 13, 1993) with options to extend the contract for periods of up to one year by written mutual agreement between the DPW and the contractor. The DPW and McCoy's Patrol Services have previously mutually agreed to three one-year contract extensions, through March 31, 1996.
3. According to Mr. Carlos Chavez of the Purchasing Department, the terms of the above-mentioned contract are standard for City service contracts. Mr. Chavez advises that typically contracts are extended two times for a period of up to one year. The proposed resolution will authorize the DPW to extend the contract with McCoy's Patrol Services for a fourth time for a one-year period.
4. The existing contract with McCoy's Patrol Services to perform security guard services expired on March 31, 1996. Approval of the proposed resolution should be amended to retroactively concur with the Controller's certification, according to Mr. Ted Lakey of the City Attorney's Office.
5. City Charter Section 8.300-1 requires Board of Supervisors approval of the Controller's Certification that services can be performed by a private contractor at a cost lower than similar Civil Service costs for each Fiscal Year through the term of the contract. According to Mr. George Thoppil of the DPW, although the contract with McCoy's Patrol Services has previously been extended for three one-year periods, the DPW has not received Board of Supervisors' approval since the contract extension awarded for FY 1993-94.
6. The DPW reports that McCoy's Patrol Services' employee workforce plan has been approved by the Human Rights Commission, and McCoy's Patrol Services' employees do not receive health care benefits.
7. The Contractual Services Cost used for the purpose of this analysis is the current contractor's estimate of providing security guard services for FY 1996-97.

8. The Controller's supplemental questionnaire with the DPW's responses, including the MBE/WBE status of this contract, is attached.

- Recommendations:**
1. Amend the proposed resolution to retroactively concur with the Controller's certification (see Comment No. 4).
  2. As noted above in Comment No. 5, the DPW has not received Board of Supervisors' approval since FY 1993-94. Therefore, the Government Efficiency and Labor Committee should request that the DPW receive authorization from the Board of Supervisors prior to establishing an agreement with the contractor for any subsequent one-year contract extensions.
  3. Approve the proposed resolution as amended.



## CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Public WorksCONTRACT SERVICES: Security Guard ServiceCONTRACT PERIOD: 03/12/96 to 03/12/97

- (1) Who performed activity/service prior to contracting out? Certain private contractor was performing for the previous occupant. This building was opened out for this Bureau since 1991 only.
- (2) Number of City employees laid off as a result of contracting out? None.
- (3) Explain disposition of employees if they were not laid off? Not applicable. Current contractor was engaged since the commencement of operation of this Bureau in 1991.
- (4) What percentage of City employee's time is spent on services to be contracted out? None
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? 5 Years - Ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1990-91. Every three years.
- (7) How will contract services meet the goals of your MBE/WBE Action Plan? Current contractor has MBE status.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees? No. They do not.

Department Representative: George Thopp11Telephone Number: (415) 554-8356

Item 6 - File 64-96-2

**Department:** Real Estate  
Department of Public Health, Mental Health and  
Substance Abuse and Forensic Services (DMSF)

**Item:** Resolution authorizing a new lease of real property at 720  
Sacramento Street, San Francisco, for the Chinatown  
Children's Development Center of the Mental Health  
Division of the Department of Public Health.

**Location:** 720 Sacramento Street, between Kearny Street and Grant  
Avenue. The proposed lease would occupy the entire  
second and third floors of the building with a portion of  
the basement and a nonexclusive use of the common areas  
of the building.

**Purpose of Lease:** Chinatown Children's Development Center

**Lessor:** KHC Investment Company

**Lessee:** Department of Mental Health and Substance Abuse and  
Forensic Services (DMSF)

**No. of Sq. Ft. and  
Cost Per Month:** Approximately 9,250 square feet @ \$1.61 per square  
foot/per month = \$14,850 rent/month, with an increase  
every five years beginning on July 1, 2002 and July 1,  
2007 (See Comment #1).

**Annual Cost:** \$178,200

**Term of Lease:** October 1, 1996 through June 30, 2012. The  
commencement of the proposed lease would begin upon  
the completion of certain leasehold improvements.

**Utilities and Janitor  
Provided by Lessor:** The City would be responsible for paying for electricity  
which is estimated at \$3,600 annually. The Lessor would  
provide janitorial and garbage removal services.  
Commencing July 1, 1998, the City would be responsible  
for paying for a pro-rata share of any increase in the  
Lessor's operating expenses over the base year of 1997  
(See Comment #2).

**Right of Renewal:** Two additional terms of five years each, with rent  
equivalent to 95 percent of the fair market value as  
determined by the Landlord. The proposed lease  
specifically states that the City can dispute the fair

market value, and resolve any disputes through a comparison of two independent appraisals completed at the request of the Landlord and the City. If the dispute is still not resolved, a third appraiser, which is agreed upon by both parties would be performed. The third appraiser's determination would be averaged with the closer of the two previous appraisals. The City can also can refuse to exercise the renewal options.

**Source of Funds:** DMSF's FY 1996-97 budget, subject to annual appropriation approval by the Mayor and the Board of Supervisors.

**Description:** The proposed lease would provide for general office space, and mental health counseling offices for outpatient treatment at the Chinatown Child Development Center. The Chinatown Child Development Center is currently located at 615 Grant Avenue, which is an unreinforced masonry building. Therefore, the Real Estate Department is proposing to relocate the offices at 720 Sacramento Street.

Prior to the commencement of the proposed lease, on or about October 1, 1996, the landlord would be required to make base building improvements including structural changes in order to comply with current seismic code requirements, compliance with the Americans with Disabilities Act (ADA), renovation of the building mechanical systems, and the installation of an elevator. These improvements would be made at the sole expense of the landlord and are estimated to cost between \$475,000 to \$575,000. In addition to these base building improvements, the landlord would also be required to make tenant improvements which are specific to the Chinatown Child Development Center, such as installing partitions for office space and group therapy areas. These tenant improvements are estimated to cost between \$35 to \$40 per square foot, or between \$323,750 and \$370,000 for the total proposed lease space. These tenant improvements are also to be paid 100 percent by the landlord. According to Mr. Steve Alms of the Real Estate Department, it is reasonable to assume that the tenant improvements would be in this price range because the landlord would be renovating the complete proposed lease space.

**Comments:** 1. From July 1, 2002 through June 30, 2007, the monthly rent would increase by five percent, from \$14,850 monthly to \$15,593 monthly. From July 1, 2007 through June 30,

2012, the monthly rent would increase by an additional approximately 19.6 percent, from \$15,593 monthly to \$18,645 monthly. Mr. Alms reports that these in terms of the lease, the rent escalations are appropriate, and the rent structure represents the current fair market value.

2. Commencing in July 1, 1998, the City would also be responsible for a pro-rata share of any increase in the operating expenses (janitorial and other utilities besides electricity) over the base year of 1997. According to Mr. Alms, the additional cost to the City for operating expenses should be minimal. In addition, Mr. Alms reports that the proposed lease also provides that the City's pro-rata share of any operating expense increase in any one fiscal year would not exceed three percent of the total operating costs. Based upon an estimate of current operating expenses provided by Mr. Alms, the cost to the City would be a maximum of \$1,400 annually beginning in FY 1998-99, and would subsequently increase by a maximum of two percent per year throughout the term of the proposed lease.

3. The current lease for the Chinatown Child Development Center at 615 Grant Avenue provides the DMSF with 7,915 square feet at an annual rent of \$124,224 (@ \$1.31 per square foot). Therefore, the proposed lease of 9,250 square feet at an annual cost of \$178,200 (@ \$1.61 per square foot), would provide the DMSF an additional 1,335 square feet (approximately an 17 percent increase) at an additional cost of \$53,976 on an annual basis (approximately a 43 percent increase).

4. According to Mr. Gene Chen, Program Director for the Chinatown Child Development Center, at the current site at 615 Grant Avenue, the program cannot currently accept any new clients because of limitations in space in the current center. Mr. Chen reports that potential clients are currently referred to other programs with bilingual staff, which are not located within close proximity to Chinatown. In addition, Mr. Chen reports that a minimum of 60 persons currently use the waiting area, and the current waiting area is often not sufficient.

5. Mr. Chen reports that currently 31 staff persons utilize the 7,915 square feet of space at 615 Grant Avenue, and under the proposed lease, 33 staff persons would utilize the 9,250 square feet. Therefore, the approximate amount of square feet per staff person would increase from approximately 255 square feet of space in the current



location to approximately 280 square feet per staff person at the proposed site, or an increase of approximately 25 square feet of space per person.

6. Mr. Alms reports that there are functions which are unique to a children's outpatient mental health clinic that should be considered when estimating the amount of square foot per person. For example, Mr. Alms explains that the children's-sized restroom would require approximately 230 square feet, the kitchen which would be utilized to prepare meals would require approximately 140 square feet, a multi-purpose room which is used for observation of clients requires approximately 2,365 square feet, and a parent counseling room requires 225 square feet. Mr. Chen reports that the existing site does not have a children's-sized restroom, or a separate closed room for psychological testing. In addition, Mr. Chen reports that the multi-purpose room at the proposed site would be sub-divided to accommodate two groups simultaneously, and to provide space for a family resource center.

7. Mr. Alms reports that the Real Estate Department has searched extensively for a comparable location with approximately 7,915 square feet available. However, Mr. Alms indicates that there are very limited alternatives available in Chinatown with these space requirements, that also meet seismic standards. In addition, Mr. Alms reports that the Department evaluated the possibility of sub-dividing the proposed site into a smaller space, but it was not economically feasible to do so.

**Recommendation:** Approve the proposed resolution.



Item 7 - File 172-96-5

**Department:** Public Utilities Commission (PUC)  
Water Department

**Item:** Resolution approving an agreement between the City and County of San Francisco and Mission Clay Products Company, a division of MCP Industries, Inc.

**Agreement Amount:** \$35,000

**Source of Funds:** Water Department Operating Funds

**Description:** The San Francisco Water Department formerly supplied water to San Francisco using the City-owned Sunol Aqueduct. The Sunol Aqueduct is a concrete box (includes four tunnel sections) approximately seven miles long, four feet high and six feet wide, and runs through a portion of the City of Fremont along with a portion of an unincorporated area in Alameda County. According to the Water Department, the City's water is now supplied through the Irvington Tunnel, located several miles to the south. The Water Department states that the Sunol Aqueduct, which was designed to carry 60 million gallons of water a day, now only supplies water to a few customers in Alameda County including a church, a section of land owned by the East Bay Regional Park District, a single-family residence, and the Mission Clay Products Company.

The Water Department reports that the Sunol Aqueduct is in need of major repairs and is currently not in compliance with the California Department of Health Services' drinking water standards. The Water Department advises that in order to bring the aqueduct into compliance with State regulations, the least expensive alternative would involve placing a plastic pipeline inside the aqueduct at an estimated cost of approximately \$300,000. Mr. Steve Ritchie of the PUC's Systems Planning and Regulatory Compliance Bureau states that the Water Department has determined that a more cost-effective and practical approach would be to discontinue the use of the Sunol Aqueduct altogether and provide an alternative water supply source to the few affected customers noted above by installing a total of three wells. According to Mr. Ritchie, discontinuing the use of the Sunol Aqueduct will save approximately \$25,000 annually in maintenance costs.

Accordingly, Mr. Ritchie advises that the Water Department has already implemented plans for the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

installation of two wells to serve the above-noted church and the East Bay Regional Park District property, and is proposing to enter into an agreement with the Mission Clay Products Company, which would (1) allow for installing one additional well to serve the Mission Clay Products Company and the above-noted single-family residence, and (2) allow for the demolition of approximately 1/4 mile of the Sunol Aqueduct in the immediate vicinity of the Mission Clay Products Company.

Specific terms of the agreement include the following:

(1) The City would pay Mission Clay Products a one-time amount not to exceed \$30,000 to have the well installed. According to the Water Department, the City is obligated under State law to pay for the cost of the installation of the well (see Attached memo from Mr. Ritchie)

(2) The City would pay a one-time lump sum of \$5,000 to Mission Clay Products for the maintenance of the well in perpetuity. According to the Water Department, the City is obligated under State law to pay for these costs associated with the well (see Attached memo from Mr. Ritchie).

(3) Once the well has successfully produced water for a 90-day test period, Mission Clay Products will sign a release form absolving the City of any further obligation to provide water at this location.

(4) Following the installation of an operating well that produces water, the City will quitclaim approximately 1/4 mile of the Sunol Aqueduct easement to the Mission Clay Products Company at no cost. In exchange, Mission Clay Products will in turn demolish and dispose of that section of the Sunol Aqueduct contained within the easement. The City's Real Estate Department has estimated that the value of the approximately 1/4 mile easement is \$26,430. According to the Water Department, the value of the demolition services to be provided by Mission Clay Products is estimated at \$71,500. The Water Department states that Mission Clay Products desires to purchase this easement and demolish the section of the aqueduct within the easement because it wants to mine clay on the other side of the aqueduct structure. According to Mr. Ritchie, it would be in the City's best interest to grant the sale of this easement to Mission Clay Products for purposes of demolishing that section of the aqueduct, at no cost to the City, since that section of the aqueduct, along with a substantial portion of the remainder of the aqueduct, will

ultimately need to be demolished. As of the writing of this report, the Water Department had not yet determined when the demolition work would commence. The Water Department advises that such demolition will be necessary in order to reduce the City's exposure to personal injury liability and to permit quitclaiming the remaining section of the easement, on which the aqueduct is located. The entire easement on which the aqueduct is located is approximately seven miles long and ten feet wide.

According to Mr. Ritchie, the Water Department has no use for the easement except for purposes of the aqueduct. As such, according to Mr. Ritchie, once the applicable sections of the aqueduct have been demolished, the remaining section of the easement, excluding the 1/4 mile section to be quitclaimed to Mission Clay Products, would be quitclaimed to the underlying property owners (i. e., the church, the East Bay Regional Park District and the single-family residence noted above), at no cost. According to Mr. Gary Dowd, Director of the Bureau of Commercial Land Management of the PUC, the remaining section of the easement would be quitclaimed to the underlying property owners at no cost because the use of this remaining section of the easement for any purpose outside its current use for the Sunol Aqueduct would be very restricted due to the size of the easement along with the steep terrain and inaccessibility of portions of the easement. As such, this remaining section of the easement would have nominal value, according to Mr. Dowd. The Water Department notes that the quitclaim of the 1/4 mile section of the easement to the Mission Clay Products Company as well as the quitclaim of the remaining section of the easement to the underlying property owners would be the subject of future approval by the Board of Supervisors.

(5) The City will have a five-year right of access to a section of Mission Clay Products Company's property in order to access this property for purposes of demolishing another section of the Sunol Aqueduct at a later date. In connection with this future access, the City would be required to indemnify Mission Clay from any losses or personal injuries arising out of any future demolition activities by the City.

**Comment:**

1. Mr. Joshua Milstein of the City Attorney's Office advises that the indemnity clause that is contained in the proposed agreement would not place the City at undue risk and that therefore, it is reasonable for the City to enter into the indemnity clause as it is written. Mr. Milstein states that the indemnity is limited to the City's future demolition

activities and the risk will be contractually assumed by the contractor, which would be retained by the City to perform the demolition.

2. As noted above, according to the Water Department, it is in the City's best interest to demolish the majority of the Sunol Aqueduct in order to reduce the City's future liability in connection with the aqueduct and to permit the future sale of the City's property, on which the aqueduct is located. Mr. Milstein confirms that such demolition is in the best interest of the City in order to reduce the City's liability with respect to this aqueduct. According to Mr. Milstein, personal injury suits brought against the City in connection with the Sunol Aqueduct over the last ten years have resulted in legal settlements paid by the City totaling approximately \$600,000.

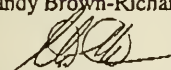
**Recommendation:** Except for the provision of the indemnity clause, which we consider to be a policy decision for the Board of Supervisors, we recommend approval of the proposed resolution.



**PUBLIC UTILITIES COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**AttachmentWILLIE L. BROWN, JR.  
MayorANSON B. MORAN  
General ManagerHETCH HETCHY  
WATER AND POWERSAN FRANCISCO  
WATER DEPARTMENT

April 3, 1996

TO: Sandy Brown-Richardson, Budget Analyst's Office

FROM:  Steven Ritchie, Manager, Bureau of Systems Planning and Regulatory Compliance

SUBJECT: Agreement with Mission Clay Products

In response to your questions regarding the subject agreement, I am providing you with the following additional information:

- 1) The source of funds for the agreement is operating revenues of the Water Department.
- 2) Your description of the aqueduct is accurate. The aqueduct lies within an easement which the Water Department holds only for the purpose of water conveyance. Therefore, when the Water Department ceases using it for that purpose it will have no value, and the Water Department will quitclaim the easement.
- 3) The Water Department has served water to these few customers in Niles Canyon for years. By doing that, the Water Department has incurred an ongoing utility service obligation to be the water purveyor for them. In essence, a water purveyor must continue to serve water to customers until an alternative supply is available. Until the wells are drilled and are supplying water to Mission Clay Products, there is no alternative supply to the aqueduct, thus the Water Department is obligated under State law to pay the costs of the wells.
- 4) A substantial portion of the remainder of the aqueduct will be demolished in the future to limit the City's personal injury liability. The exact timing of that is uncertain because the Water Department must satisfactorily resolve all supply issues for the few customers in Niles Canyon before it can proceed with demolition. The FY 96-97 budget of the PUC contains funding for development of plans and specifications for the demolition. Demolition will proceed in a timely fashion after the plans and specifications are complete and after all water supply issues are resolved with the customers.

cc: Joshua Milstein, Esq.



The first part of the paper discusses the importance of the study of the history of the English language. It is argued that the study of the history of the English language is not only a matter of historical interest, but also a matter of practical importance. The study of the history of the English language can help us to understand the development of the English language and to see how the English language has changed over time. This can be useful in many ways, such as in the study of literature, in the study of the history of the English language, and in the study of the English language in general.

The second part of the paper discusses the importance of the study of the history of the English language. It is argued that the study of the history of the English language is not only a matter of historical interest, but also a matter of practical importance. The study of the history of the English language can help us to understand the development of the English language and to see how the English language has changed over time. This can be useful in many ways, such as in the study of literature, in the study of the history of the English language, and in the study of the English language in general.

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Item 8 - File 172-96-6

- Department:** Department of Public Health (DPH)  
Division of Community Mental Health (CMH)
- Item:** Resolution approving the San Francisco City and County Performance Contract for Mental Health Services in Fiscal Year 1995-96.
- Description:** State Assembly Bill 1288 established the annual County Performance Contract as the basis for State allocations for County mental health services. The Performance contract must be approved by the Board of Supervisors prior to its submission to the State. The proposed resolution would provide approval of the San Francisco City and County Performance Contract for mental health services provided during Fiscal Year 1995-96.
- The DPH reports that this Performance Contract, which the proposed resolution would adopt, requires general assurances regarding maintenance of effort, a series of administrative assurances regarding County compliance with Federal and State regulations, a commitment to continue supplying selected client and cost information, compliance with basic service delivery principles and submission of documents supporting various State regulations.
- Comments:**
1. For FY 1994-95, CMH received a total allocation of approximately \$42.1 million from the State Department of Mental Health in State Realignment Funds. In FY 1995-96, DMS was allocated approximately \$47.2 million in State Realignment Funds, or an increase of approximately \$5.1 million. According to Mr. Larry Doyle of the DPH, this Performance Contract is to be consistent with the FY 1995-96 CMH budget as approved by the Board of Supervisors.
  2. The DPH reports that because of delays with the State in receiving the contract document and extensive negotiations regarding State hospital rates and the final State allocation, the CMH has been providing mental health services without the approval of the proposed Performance Contract since July 1, 1995. Therefore, the proposed resolution should be amended to authorize retroactive approval of the Performance Contract by the Board of Supervisors.
- Recommendations:** 1. Amend the proposed resolution to authorize retroactive approval of the Performance Contract by the Board of Supervisors.

Memo to Government Efficiency and Labor Committee  
April 9, 1996 Government Efficiency and Labor Committee Meeting

2. Approve the proposed resolution as amended.

Item 10 - File 162-96-1

- Department:** Chief Administrative Officer (CAO)
- Item:** Hearing transmitting communications from the CAO regarding the 1996 Joint Fundraising Drive.
- Description:** Section 16.93-1 of the San Francisco Administrative Code states that deductions from employee pay warrants for charitable organizations shall only be withheld based upon authorizations made by employees in the Annual Joint Fundraising Drive. Section 16.93-3 requires the CAO to review all applications from charitable organizations to participate in the Annual Joint Fundraising Drive and to recommend to the Board of Supervisors whether applicants qualify to participate in accordance with criteria set forth in Section 16.93-2.
- In this communication, the CAO states that his office has reviewed the six charitable organizations that have applied to participate in the City's 1996 Annual Joint Fundraising Drive in accordance with the criteria delineated in Section 16.93-2. The CAO reports that all six charitable organizations comply with the Section 16.93-2 criteria. The CAO's summary of findings regarding the City's criteria and the six applicant charitable organizations is attached.
- Section 16.93-4 of the Administrative Code also requires the Board of Supervisors to designate, by resolution prior to May 1, 1996, those agencies that have applied to participate in the 1996 Annual Joint Fundraising Drive. The six charitable organizations that have applied to participate in the 1996 Annual Joint Fundraising Drive are as follows:
- Bay Area Black United Fund, Inc.  
Combined Health Appeal of California  
Earth Share of California  
Local Independent Charities of America  
The Progressive Way  
United Way of the Bay Area
- Recommendation:** Prepare in and report out a resolution designating the six qualifying charitable organizations to participate in the City's 1996 Annual Joint Fundraising Drive, as listed above.

RE File 162-96-01 Attachment  
1 of 5OFFICE OF THE  
CHIEF ADMINISTRATIVE OFFICERRECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

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WILLIAM L. LEE

CHIEF ADMINISTRATIVE OFFICER

March 29, 1996

Mr. John Taylor  
Clerk, Board of Supervisors  
401 Van Ness, Room 308  
San Francisco, CA 94102

Subject: Annual Fundraising Drive File 162-96-001  
Government Efficiency and Labor Committee

Dear Mr. Taylor:

Fursuant to Section 16.93-3 of the Administrative Code, my office has reviewed the applications to participate in the Annual Joint Fundraising Drive. This review is in accordance with the criteria delineated in Administrative Code Section 16.93-2. This letter is our report to the Board of Supervisors.

Our review indicates that all six agencies that applied to participate have met the criteria determined by the Board of Supervisors. These agencies are the Bay Area Black United Fund, Combined Health Appeal of California, Earth Share of California (Environmental Federation of California, Inc.), Local Independent Charities of America (LIC), The Progressive Way, and United Way of the Bay Area.

Our review is limited to the points delineated in the Administrative Code. We have recommended that representatives of the applicant agencies attend your committee meeting to respond to any other concerns you may have. Applicants will be notified of the date and time of the meeting.

If you should have any questions or desire additional information, please contact me or Jill Lerner of my office.

Sincerely,

William L. Lee  
Chief Administrative Officer

Enclosure

cc: Honorable Tom Ammiano, Chair  
Honorable Mabel Teng, Vice Chair  
Honorable Michael Yaki  
Ms. Mary Red, Clerk  
Mr. Ted Lakey, City Attorney  
Budget Analyst  
Applicant Organizations

cc: mmon/combcn



Attachment

2 of 5

## SUMMARY OF FINDINGS

1996 Review of Applications  
To Participate in Annual Fundraising DriveSUMMARY OF METHODOLOGY AND FINDINGS

Our review consisted of an examination of the materials provided in File 162-96-001 and telephone conversations with representatives from applicant organizations. We were advised by Deputy City Attorney Ted Lakey that telephone inquiries were appropriate to clarify information supplied by the applicants. This is the same method we have used in past years to prepare this report to the Board of Supervisors.

All six organizations that applied for participation in the 1996 Joint Fundraising Drive were in compliance with the criteria established by the Board of Supervisors as delineated in the Administrative Code.

CRITERIA

Following is a list of the criteria established by the Board of Supervisors and information as to how the applicants met each requirement.

Criterion A: Be a federated agency representing 10 or more charitable organizations of which at least 50 percent shall represent organizations located in the counties of San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, and Marin.

According to the City Attorney, "located in the counties" may be defined as having offices, fundraising, or otherwise doing business in those counties.

## 1. Combined Health Appeal of California

CHA represents 37 national health agencies. CHA reported to us that at least 50% of the participating organizations have offices in the requisite counties.

Summary of Findings  
1996 Review of Applications  
Page 2 of 3

2. The Progressive Way

Progressive Way represents 49 organizations. The applicant reports that over 50% of the participating organizations have offices in the Bay Area.

3. Bay Area Black United Fund

Bay Area Black United Fund represents 34 organizations, of which at least 50% represent organizations located in the Bay Area.

4. United Way of the Bay Area

United Way represents 337 organizations. United Way reports that all of the organizations meet the county criteria.

5. Local Independent Charities of America

Local Independent Charities represents 218 organizations and reports that all meet the county criteria.

6. Earth Share of California

Earth Share represents 92 organizations and reports that at least 50% represent organizations located in the Bay Area.

Criterion B: Certify to the Board of Supervisors that the Federal Internal Revenue Service has determined that contributions to all of the represented charitable organizations are tax deductible.

Based on consultation in years past with the City Attorney, we have concluded that all the applicants complied with this requirement.

All applicants either stated in letters to the Board of Supervisors or confirmed by telephone that they are in compliance with the requirements of Section 16.93-1, which constitutes "certification."

Criterion C: The federated agency must have been in existence with 10 or more qualified charities for at least one year prior to the date of application and provide satisfactory evidence to that effect at the time of filing an application with the Board.

Attachment  
4 of 5

Summary of Findings  
1996 Review of Applications  
Page 3 of 3

This criterion was met by all agencies in that they were in existence during the fundraising campaign of 1995.

Criterion D: The federated agency must submit its most recent certified audit at the time of filing an application with the Board.

All agencies provided these documents, as detailed below:

1. Combined Health Appeal of California provided a report on examination of financial statements prepared by Rooney, Ida, Nolt and Ahern, CPAs, dated June 30, 1995.
2. The Progressive Way supplied financial statements and an independent auditor's report from Angelino P. Cayan, CPA, for the year ended December 31, 1994.
3. Black United Fund provided financial statements and an independent auditor's report dated December 31, 1994 by Johnny Willis, CPA.
4. United Way provided financial statements and an independent auditor's report by Hood and Strong, CPAs, dated June 30, 1995.
5. Earth Share of California provided financial statements and an independent auditor's report for the year ended June 30, 1995 by Bregante & Company, CPAs.
6. Local Independent Charities provided financial statements and an independent auditor's report for the years ended April 30, 1995 and 1994 by Burr, Pilger & Mayer, CPAs.

Criterion E: Agencies that wish to participate in the Annual Drive are required to submit applications to the Board of Supervisors that include all information that may be relevant to the criteria listed in the Section.

As stated earlier in this report, the City Attorney advised that the applications may be considered complete though clarification may have been necessary to conduct this review.

Therefore, all applicants were in compliance with Criterion E.

Attachment

5 of 5

Subject: Annual Fundraising Drive File 162-96-001  
Government Efficiency and Labor Committee

Board of Supervisor Contact Person

Ms. Mary Red, Clerk  
Government Efficiency and Labor Committee  
401 Van Ness, Room 308  
San Francisco, CA 94102  
Phone: 554-4445

Applicant Organizations

Address

Contact Person  
Fax

United Way of the Bay Area  
59 California St., Suite 200  
San Francisco, CA 94111-4696

Jackie Ruggles  
Sr. Vice President  
421-9663

Bay Area Black United Fund, Inc.  
(BABUF)  
1440 Broadway, Suite 405  
Oakland, CA 94612

Cheryl Garner-Shaw  
(510) 763-1155

The Progressive Way  
1212 Broadway, Suite 830  
Oakland, CA 94612

Jim Shattuck  
Executive Director  
(510) 834-3741

Combined Health Appeal of  
California  
1949 Willow Pass Road #204  
Concord, CA 94520

Suzanne Scott  
Director  
(510) 798-4018

Local Independent Charities  
1111 Oak Street  
San Francisco, CA 94117

Rusty May  
Director  
626-6378

Earth Share of California  
116 New Montgomery St., Suite 800  
San Francisco, CA 94105

Kara Stevens  
Campaign Manager  
882-4571

common/combcpn

Memo to Government Efficiency and Labor Committee  
April 9, 1996 Government Efficiency and Labor Committee Meeting

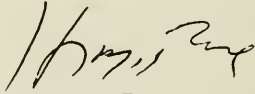
Item 13 - File 7-96-2

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 26, 1996.

1. This is a hearing to evaluate and examine evening and night ridership on Municipal Railway buses throughout the City with the possibility of using smaller, less costly vehicles and/or re-routing of current patterns or shifting buses from low to high volume areas.

2. Mr. Philip Adams, Director of Public Transportation, advised the Budget Analyst that the Municipal Railway plans to report directly to the Government Efficiency and Labor Committee meeting regarding studies and analysis which have been done by Municipal Railway on the feasibility of using smaller transit vehicles in the evening and night hours.

3. The Budget Analyst is in process of conducting a management audit of the Municipal Railway, pursuant to Proposition J. The cost effectiveness of using smaller transit vehicles will be reviewed during the management audit.

  
Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Teng  
Supervisor Yaki  
President Shelley  
Supervisor Kaufman  
Supervisor Alioto  
Supervisor Bierman  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Margaret Kisliuk  
Paul Horcher  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





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Special

## CALENDAR

## GOVERNMENT EFFICIENCY &amp; LABOR COMMITTEE

## BOARD OF SUPERVISORS

## CITY AND COUNTY OF SAN FRANCISCO DOCUMENTS DEPT.

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## \* SPECIAL MEETING

MONDAY, APRIL 22, 1996, 10:00 A.M.VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 410

MEMBERS: Supervisors Tom Ammiano, Mabel Teng, Michael Yaki

CLERK: Mary Red

\* \* \* \* \*

## Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F Line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:  
For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.

1. File 93-96-3. [MOU, Local 580] Ordinance implementing the provisions of a Memorandum of Understanding between the Cement Masons Union, Local 580 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

2. File 93-96-4. [MOU, Local 718] Ordinance implementing the provisions of a Memorandum of Understanding between the Glaziers, Architectural Metal and Glass Workers Union, Local 718 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

3. File 93-96-5. [MOU, Local 4] Ordinance implementing the provisions of a Memorandum of Understanding between the International Brotherhood of Painters and Allied Trades, Local 4 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

4. File 93-96-7. [MOU, Institutional Police Officers Association] Ordinance implementing the provisions of a Memorandum of Understanding between the San Francisco Institutional Police Officers Association and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

5. File 93-96-8. [MOU, Local 377] Ordinance implementing the provisions of a Memorandum of Understanding between the Ironworkers-Bridge, Structural Ornamental and Reinforced, Local Union 377 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

6. File 93-96-9. [MOU, Local 34] Ordinance implementing the provisions of a Memorandum of Understanding between the Pile Drivers, Divers, carpenters, Bridge, Wharf & Dock Builders, Local Union No. 34 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

7. File 93-96-10. [MOU, Local 38] Ordinance implementing the provisions of a Memorandum of Understanding between the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local Union No. 38 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

ACTION:

8. File 93-96-11. [MOU, Local 16] Ordinance implementing the provisions of a Memorandum of Understanding between the International Alliance of Theatrical Stage Employees & Moving Picture Machine Operators of the United States and Canada, Local 16 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

9. File 93-96-12. [MOU, Local 40] Ordinance implementing the provisions of a Memorandum of Understanding between the Roofers, Local 40 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

10. File 93-96-13. [MOU, Local 22] Ordinance implementing the provisions of a Memorandum of Understanding between the Bay Counties District Council of Carpenters, Carpenters, Local 22 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

11. File 93-96-14. [MOU, Local 261] Ordinance implementing the provisions of a Memorandum of Understanding between the Laborers International Union of North America, Local 261 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

12. File 93-96-15. [MOU, Local 1414] Ordinance implementing the provisions of a Memorandum of Understanding between the Peninsula Automotive Mechanics Lodge, No. 1414, International Association of Machinists & Aerospace Workers, AFL-CIO and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

13. File 93-96-16. [MOU, Local 3, Operating Engineers] Ordinance implementing the provisions of a Memorandum of Understanding between the Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

14. File 93-96-17. [MOU, Local 36] Ordinance implementing the provisions of a Memorandum of Understanding between the Bricklayers, Stone Masons Terrazza Mechanics, Marble Masons, Pointers, Caulkers and Cleaners, Local 3/Hodcarriers, Local 36 and the City and County of San Francisco. (Supervisor Shelley)

## ACTION:

15. File 93-96-18. [MOU, Local 3, Supervising Probation Officers] Ordinance implementing the provisions of a Memorandum of Understanding agreement between Operating Engineers Local 3 bargaining for Supervising Probation Officers and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

16. File 93-96-19. [MOU, Local 66] Ordinance implementing the provisions of a Memorandum of Understanding between the Plasterers and Shophands, Local 66 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Supervisor Shelley)

## ACTION:

17. File 93-96-20. [MOU, Unrepresented Employees] Ordinance fixing compensation for persons employed by the City and County of San Francisco whose compensations are subject to the provisions of Section 8.409 of the Charter in classes not represented by an employee organization, and establishing working schedules and conditions of employment and methods of payment, effective July 1, 1996. (Supervisor Shelley)

## ACTION:

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 308  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

Bill Lynch  
Documents Section  
Public Library-Main Branch  
Civic Center

(41)



CF  
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4/22/96  
Special

CITY AND COUNTY



OF SAN FRANCISCO DOCUMENTS DEPT.

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

APR 23 1996  
SAN FRANCISCO  
PUBLIC LIBRARY

April 19, 1996

**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendation for meeting at*  
**SUBJECT:** April 22, 1996 Special Government Efficiency and Labor Committee Meeting

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 - Files 93-96-3, 93-96-4, 93-96-5, 93-96-7, 93-96-8, 93-96-9, 93-96-10, 93-96-11, 93-96-12, 93-96-13, 93-96-14, 93-96-15, 93-96-16, 93-96-17, 93-96-18, 93-96-19 and 93-96-20

**Department:** Human Resources Department

**Items:** **Item 1, File 93-96-3** - Ordinance implementing the fiscal provisions of a Memorandum of Understanding (MOU) between the Cement Masons Union, Local 580 and the City.

**Item 2, File 93-96-4** - Ordinance implementing the fiscal provisions of a MOU between the Glaziers, Architectural Metal and Glass Workers Union, Local 718 and the City.

**Item 3, File 93-96-5** - Ordinance implementing the provisions of a MOU between the International Brotherhood of Painters and Allied Trades, Local 4 and the City.

**Item 4, File 93-96-7** - Ordinance implementing the provisions of a MOU between the San Francisco Institutional Police Officers Association and the City.

**Item 5, File 93-96-8** - Ordinance implementing the provisions of a MOU between the Ironworkers-Bridge, Structural, Ornamental and Reinforced, Local 377 and the City.

**Item 6, File 93-96-9** - Ordinance implementing the provisions of a MOU between the Pile Drivers, Divers, Carpenters, Bridge, Wharf & Dock Builders, Local 34 and the City.

**Item 7, File 93-96-10** - Ordinance implementing the provisions of a MOU between the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 38 and the City.

**Item 8, File 93-96-11** - Ordinance implementing the provisions of a MOU between the International Alliance of Theatrical Stage Employees & Moving Picture Machine Operators of the United States and Canada, Local 16 and the City.

**Item 9, File 93-96-12** - Ordinance implementing the provisions of a MOU between the Roofers, Local 40 and the City.

**Item 10, File 93-96-13** - Ordinance implementing the provisions of a MOU between the Bay Counties District Council of Carpenters, Carpenters, Local 22 and the City

**Item 11, File 93-96-14** - Ordinance implementing the provisions of a MOU between the Laborers International Union of North America, Local 261 and the City.

**Item 12, File 93-96-15** - Ordinance implementing the provisions of a MOU between the Peninsula Automotive Mechanics Lodge, No. 1414, the International Association of Machinists & Aerospace Workers, AFL-CIO and the City.

**Item 13, File 93-96-16** - Ordinance implementing the provisions of a MOU between the Operating Engineers Local 3 of the International Union of Operating Engineers, AFL-CIO and the City.

**Item 14, File 93-96-17** - Ordinance implementing the provisions of a MOU between the Bricklayers, Stone Masons, Terrazza Mechanics, Marble Masons, Pointers, Caulkers and Cleaners, Local 3 and Hodcarriers, Local 36 and the City.

**Item 15, File 93-96-18** - Ordinance implementing the provisions of a MOU between Operating Engineers, Local 3 bargaining for Supervising Probation Officers and the City.

**Item 16, File 93-96-19** - Ordinance implementing the provisions of a MOU between the Plasterers and Shophands, Local 66 and the City.

**Item 17, File 93-96-20** - Ordinance fixing compensation for persons employed by the City whose compensations are subject to the provisions of Section 8.409 of the Charter, in classes not represented by an employee organization and establishing working schedules and conditions of employment and methods of payment.

**Description:**

**Items 1 through 16, Files 93-96-3 through 93-96-19**

The proposed ordinances would implement the fiscal provisions of the above-noted MOUs for the period July 1, 1996 through June 30, 1997. The Board of Supervisors previously approved legislation ratifying these MOUs. The following major fiscal provisions for the period July 1, 1996 to June 30, 1997, are included in the MOUs:

**Dependent Health Care Pick-up**

Effective July 1, 1996, the City's contribution shall be a total of \$225 per covered employee per month. The \$225 represents a \$100 increase over the \$125 contribution being made by the City for the period January 1, 1996 through June 30, 1996.

**Retirement Pick-up**

Effective July 1, 1996 the City shall "pick-up" 6.5 percent of the current 7.5 percent of the employee's share of costs. Effective December 28, 1996 the City shall pick up the entire 7.5 percent of the employee's share of costs. Under the current provisions of the MOU, the City picks up 4.5 percent of the employee's share of costs.

**Paid Furlough Days**

The above-noted unions may opt, on behalf of their represented employees, by written notice to the Mayor's Employee Relations Division not later than May 1, 1996, to have their represented employees receive a cash payment for two paid furlough days. Under the current provisions of the MOU, represented employees are entitled to two paid

furlough days off but do not presently have the option of receiving a cash payment instead of taking these two furlough days off.

**Item 17, File 93-96-20**

The proposed ordinance would fix compensation for persons employed by the City, pursuant to Charter Section 8.409-1, that are not represented by an employee organization, and would establish working schedules and conditions of employment and methods of payment for the period July 1, 1996 through June 30, 1997. The major fiscal provisions included under this ordinance for the period July 1, 1996 to June 30, 1997, are as follows:

**Dependent Health Care Pick-up**

Effective July 1, 1996, the City's contribution shall be a total of \$225 per covered employee per month. The \$225 represents a \$100 increase over the \$125 contribution being made by the City for the period January 1, 1996 through June 30, 1996.

**Retirement Pick-up**

Effective July, 1996 the City shall "pick-up" 6.5 percent of the current 7.5 percent of the employee's share of costs. Effective December 28, 1996 the City shall pick up the entire 7.5 percent of the employee's share of costs. Under the current provisions of the MOU the City picks up 4.5 percent of the employee's share of costs.

**Fiscal Impact  
Summary:**

A summary of the increased annual costs to the City, as estimated by the Controller's Office for the provisions noted above for FY 1996-97, is attached. In summary, the Controller estimates that the proposed ordinances would result in an increase of \$1,385,400 for the Dependent Health Care pick-up, an increase of \$2,747,136 for the Retirement pick up, and an increase of \$920,535 for the cash payments for the two furlough days, for a total incremental increase of \$5,053,071 for FY 1996-97.

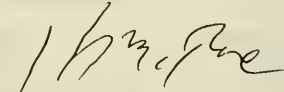
**Comment:**

The Budget Analyst concurs with the Controller's estimate of the costs of the Dependent Health Care Pick-up, the Retirement Pick-up, and the estimate of increased costs based on the represented employees receiving cash payment for two furlough days in lieu of time-off. As indicated in the Attachment, the actual cost associated with the two furlough

Memo to Government Efficiency and Labor Committee  
April 22, 1996 Government Efficiency and Labor Committee Meeting

days would vary based on the number of unions that opt for the in lieu cash payment option.

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Teng  
Supervisor Yaki  
President Shelley  
Supervisor Kaufman  
Supervisor Alioto  
Supervisor Bierman  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Margaret Kisliuk  
Paul Horcher  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Attachment

Attachment A  
 One-Year Trades Coalition Agreement/Unrepresented Ordinance  
 Controller's Office - Cost Analysis 1996-97  
 Special Hearing 4/22/96

<u>Bargaining Unit/Category</u>	<u>Retirement Pick-Up</u>	Dependent <u>Health Pick-Up</u>	<u>Two Furlough Days*</u>	<u>Incremental Costs</u>
	(6.5% on 7/1/96; full pick-up 12/23/96)	(up to \$225 per month as of 7/1/96)	(with payment option)	(1996-97 only)
Unrepresented Employees	609,341	297,600	N/A	906,941
Local 38 - Plumbers	379,848	157,800	163,563	701,211
Local 718 - Glaziers	9,329	4,200	4,017	17,546
Local 4 - Painters	85,515	44,400	36,823	166,738
Local 34 - Pile Workers	19,733	9,000	8,497	37,230
Local 3 - Operating Engrs	89,884	37,800	38,704	166,388
Local 377 - Ironworkers	15,627	7,200	6,729	29,556
Supervising Probation Officers	21,261	10,800	9,155	41,216
Local 261 - Laborers	801,172	490,800	344,985	1,636,957
Local 22 - Carpenters	105,471	45,000	45,416	195,887
Local 580 - Cement Masons	26,497	13,800	11,410	51,707
Plasters	2,950	1,200	1,270	5,420
Local 1414 - Machinists	487,330	225,600	209,844	922,774
Local 16 - Theatrical Employees	4,179	1,800	1,799	7,778
Institutional Police Officers	16,663	8,400	7,175	32,238
Local 104 - Sheet Metal Workers	59,100	22,800	25,448	107,348
Local 36 - Hodcarriers/Bricklayers	3,456	1,800	1,488	6,744
Local 40 - Roofers	9,780	5,400	4,211	19,391
<b>TOTAL</b>	<b>2,747,136</b>	<b>1,385,400</b>	<b>920,535</b>	<b>5,053,071</b>

Overall Percent Increase: 1996-97 4.60%

\* According to the draft MOU's each union will have an option to receive payment for two furlough days in lieu of time off. Although we have included the estimated costs of paying for two furlough day in our cost estimate, actual costs may vary based on the number of unions that opt for the in lieu payment option.

SF  
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# CALENDAR

#1  
4/23/96

## GOVERNMENT EFFICIENCY & LABOR COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS - - -

APR 19 1996

SAN FRANCISCO  
PUBLIC LIBRARY

### REGULAR MEETING

TUESDAY, APRIL 23, 1996, 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 410

MEMBERS: Supervisors Tom Ammiano, Mabel Teng, Michael Yaki

CLERK: Mary Red

\* \* \* \* \*

### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F Line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:  
For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item.
- (a) File 147-96-3. [State Grant - African American History Network] Resolution authorizing the City Librarian to apply for Library Services and Construction Act funds from the California State Library for the African American History Network II. There are direct costs of eight percent (8%) contained in the budget of this grant. (Public Library)
- (b) File 192-96-2. [State Grant, Reduce Air Pollution, Motor Vehicles] Resolution authorizing the Executive Director of the Department of Parking and Traffic or his designee, to accept and expend \$1,335,200 from the Transportation Fund for Clean Air in the Bay Area for programs and projects to reduce air pollution from motor vehicles. (Also see File 133-95-6) (Department of Parking and Traffic)
- (c) File 38-96-8. [Gift Acceptance, Wosser Estate] Resolution authorizing the San Francisco Public Library to accept and expend a gift from the estate of Margaret Frances Wosser not to exceed the amount of \$10,000. (Public Library)

ACTION:

REGULAR CALENDAR

2. File 65-96-2. [Final Neg Dec, Pier 38 Maritime Recreation Center] Resolution adopting Final Negative Declaration, finding and determining that the proposed Pier 38 Maritime Recreation Center (on the Embarcadero between Brannan and Townsend Streets) will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration; companion measure to File 65-96-2.1) (Final Negative Declaration issued on 2/2/95, as amended.) (Port Commission)  
(Continued from 3/14/96)

ACTION:

3. File 65-96-2.1. [Lease Agreement, Pier 38 Maritime Recreation Ctr.] Ordinance approving Lease Agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City and County of San Francisco operating by and through the San Francisco Port Commission for a Maritime Recreation Center at Pier 38 (on the Embarcadero between Townsend and Brannan Streets); companion measure to File 65-96-2. (Port Commission)  
(Continued from 3/14/96)

ACTION:

4. File 25-96-4. [Prop. J Contract, Security Guard Services] Resolution concurring with the Controller's determination that security guard services can practically be performed at the Bureaus of Engineering and Construction Management Offices at 1680 Mission Street by private contractor for a lower cost than if the services were performed by City employees. (Department of Public Works)  
(Continued from 4/9/96)

ACTION:

5. File 65-96-6. [Lease, New Main Library, 100 Larkin Street] Ordinance authorizing and approving the lease of space in City-owned property at 100 Larkin Street, consisting of a portion of the lowest floor to Robin Boley-Alvarez and Francois Alvarez commencing April 18, 1996. (Real Estate Department)

ACTION:

6. File 97-96-15. [Hold Harmless Agreement with Caltrans] Ordinance amending Administrative Code by adding Section 1.49 regarding hold harmless agreements with California Department of Transportation (Caltrans). (Department of Public Works)

ACTION:

7. File 65-96-7 [Lease Modification, Port/Franciscan Restaurant] Ordinance approving third amendment to lease of real property between the Franciscan Restaurant and the City and County of San Francisco operating by and through the San Francisco Port Commission for restaurant and retail uses at Pier 43-1/2, Fishermans' Wharf. (Port)

ACTION:

8. File 172-96-7. [Muni Railway Regional Trip Planning Agreement] Ordinance approving a contract between the City, through its Municipal Railway, and three Bay Area transit agencies, to provide regional database for route, schedule and fare information so that passengers can plan regional trips. (Public Transportation Commission)

ACTION:

9. File 25-96-5. [Prop J Contract, Legal Services, District Attorney] Resolution concurring with the Controller's certification that legal process server services can be practically performed for the District Attorney, Family Support Bureau, by a private contractor for a lower cost than similar services performed by City and County employees. (District Attorney)

ACTION:

10. File 97-96-14.1. [Public Notices, Plain] Ordinance amending Administrative Code, Section 67.7 to require that items on agendas of meetings of policy bodies of the City and County of San Francisco should be written in plain English and by adding Section 67.7-1 to require that public notices mailed by City departments, boards, agencies and commissions to residents be written in plain English and advise the public how they may submit written comments to City officials regarding the subject of public meetings and hearings. (Supervisors Kaufman, Teng, Bierman)

ACTION:

SPECIAL ORDER-2:00 P.M.

11. File 60-96-3. [Election, California Civil Rights Initiative] Resolution establishing policy opposing the California Civil Rights Initiative, joining the Mayor in his efforts to oppose this measure and educate the San Francisco electorate about its negative impact on the City and County and supporting the efforts of "Freedom Summer 1996". (Supervisors Teng, Leal, Alioto)

ACTION:



LITIGATION

12. File 45-96-22. [Mychelle Colleary v. CCSF, et al.] Ordinance authorizing settlement of personal injury claim of Mychelle Colleary against the City and County of San Francisco and its employee Chinedu Elekwachi by payment of \$15,000, each side to bear its own costs and attorneys' fees. (Superior Court No. 969-275). (City Attorney).

ACTION:

13. File 46-96-6. [CCSF v. Glimidakis, et al.] Ordinance authorizing settlement of the litigation of City and County of San Francisco v. Vasilios and Christine Glimidakis, et al., in the amount of Forty Thousand Dollars (\$40,000). (Superior Court No. 963-377). (City Attorney)

ACTION:

14. File 46-96-7. [CCSF, v. Department of Health Services] Ordinance authorizing settlement of litigation of the City and County of San Francisco against the State Department of Health Services, for approval of Medi-Cal reimbursement claims. (Superior Court No. 962-505). (City Attorney)

ACTION:

15. File 48-96-12. [Settlement of Claim, Lee Kyu Park] Resolution approving the settlement of the unlitigated claim of Lee Kyu Park by payment of \$25,729.95. (City Attorney)

ACTION:

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
VETERANS BUILDING  
401 VAN NESS AVENUE, ROOM 308  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

Bill Lynch  
Documents Section  
Public Library-Main Branch  
Civic Center

(41)



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4/23/96

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

DOCUMENTS DEPT.

APR 23 1996

SAN FRANCISCO  
PUBLIC LIBRARY

April 19, 1996

**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendations for meeting of*  
**SUBJECT:** April 23, 1996 Government Efficiency and Labor Committee Meeting

Item 1a - File 147-96-3

**Department:** Public Library

**Item:** Authorizing the City Librarian to apply for Library Services and Construction Act Funds from the California State Library for the African American History Network Project, Phase II.

**Grant Amount:** \$51,383

**Grant Period:** October 1, 1996 through September 30, 1997 (one year)

**Source of Funds:** Federal Library Services and Construction Act (LCSA) Funds (administered by the California State Library).

**Project:** Implementation of Phase II of the African American History Network project

**Description:** The proposed funding would be used to implement Phase II of the African American History Network project. The

**Memo to Government Efficiency and Labor Committee**  
**April 23, 1996 Government Efficiency and Labor Committee Meeting**

purpose of the African American History Network project is to make the catalogs, archives, and records of the San Francisco African American Historical & Cultural Society, a non-profit organization, available on the Public Library's online public access catalog. Specifically, the funds would be used to enter approximately 2,400 bibliographic titles, and 250 archival items, such as photographs from the African American Historical & Cultural Society collection into the Public Library's online public access catalog. In addition, the funds would be used to advertise the availability of this information, and provide two African American historical information programs at the Public Library.

According to Ms. Olive James of the Public Library, the Public Library received LCSA funds for the period beginning October 1, 1993 through September 30, 1994 for Phase I of the African American History Network project to enter approximately 1,600 bibliographic titles, and 150 archival items from the African American Historical & Cultural Society collection into the Public Library's online public access catalog. Ms. James advises that the Public Library has not received any LCSA funds for this project since September 30, 1994, nor has the Public Library conducted additional work for this project during the interim period. Ms. James advises that at the end of Phase II (subject of this request) of the African American History Network project, the majority of the African American Historical & Cultural Society's collection will be available through the Public Library's online public access catalog.

**Budget:** Ms. James advises that budget details will be provided when the Public Library requests Board of Supervisors approval to accept and expend the proposed grant funds.

**Required Match:** None

**Indirect Costs:** \$4,111 (8 percent of total project budget)

**Comments:** 1. Ms. James advises that the due date for the application for the proposed grants funds was February 29, 1996. Therefore, the proposed resolution should be amended to authorize the Public Library to apply for the grant funds retroactively.

2. The Public Library has prepared a Disability Access Checklist, which is on file with the Clerk of the Board's Office.

Memo to Government Efficiency and Labor Committee  
April 23, 1996 Government Efficiency and Labor Committee Meeting

3. The Department's Grant Application Information Form is attached.

- Recommendations:**
1. Amend the proposed resolution to authorize the Public Library to retroactively apply for the proposed grant funds.
  2. Approve the proposed resolution as amended.

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

557-4205 fax

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Public Library

Contact Person: Olive James, Manager of Telephone: 415-557-4411  
General Collections, Main Library

Project Title: African American History Network II

Grant Source: Library Services and Construction Act Federal Funds  
administered by the California State Library

Proposed (New / Continuation) Grant Project Summary:

The African American History Network II will improve library services to users in California by increasing and promoting access to information about African Americans in the collections of San Francisco Public Library (SFPL) and the San Francisco African American Historical & Cultural Society (AAHCS). The purpose of the project is to increase accessibility to AAHCS Library and Archives catalog records available on SFPL's online public access catalog by loading the records onto OCLC; and to promote information and access through the production of programs about African American research topics. The California Librarians' Black Caucus / Northern Chapter continues to act as a primary sponsor of this resource sharing Network.

Amount of Grant Funding Applied for: \$51,383

Maximum Funding Amount Available: \_\_\_\_\_

Required Matching Funds: \_\_\_\_\_

Number of Positions Created and Funded: 3

Amount to be Spent on Contractual Services: 0

Will Contractual Services be put out to Bid? NA

Term of Grant: October 1, 1996 - September 30, 1997

State Department Notified of Available funds: July 1, 1996

Application Due Date: February 29, 1996

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

The Library Services and Construction Act, Public Law 101-254, amended in 1989, is a federal program of assistance to local libraries. It is administered in the state by the California State Librarian. For Title III, Interlibrary Cooperation and Resource Sharing, libraries of all types may apply. An application may be submitted only if a proposal has previously been submitted in the same LSCA cycle. Normally an LSCA project runs from October to the following September, but it may begin with the date of official award, usually in July. All project funds must be expended by the following September 30 or returned. Quarterly reports are to be submitted to the State Library 30 days after the close of the quarter for all four quarters. A final narrative report (also the fourth quarter narrative report) is submitted following the project's close as an overall evaluation. The State Library has encouraged SEPL to focus the African American History Network application on database expansion and the ongoing addition of records for African American resources. In addition, a Memorandum of Understanding between the library and the African American Historical & Cultural Society should be in place to assure long term access to the materials involved in this undertaking.

Hernett E. Dyer

Department Head Approval





Item 1b - File 192-96-2

**Department:** Department of Parking and Traffic (DPT)

**Item:** Resolution authorizing the Department of Parking and Traffic to accept and expend \$1,335,200 from the Bay Area Air Quality Management District's Transportation Fund for Clean Air in the Bay Area for programs and projects to reduce air pollution from motor vehicles.

**Grant Amount:** \$1,335,200

**Grant Period:** Two years from the date of Board of Supervisors approval of the proposed grant funds.

**Source of Funds:** Bay Area Air Quality Management District's Transportation Fund for Clean Air in the Bay Area

**Project:** Projects to reduce air pollution from motor vehicles.

**Description:** In 1991, Assembly Bill 434 created the Transportation Fund for Clean Air in the Bay Area and authorized the Bay Area Quality Management District (BAAQMD) to impose up to a \$4.00 surcharge on motor vehicle registration fees, which are deposited into the Transportation Fund. The monies from this Fund are to be used to implement specified transportation control measures included in the BAAQMD's 1991 Bay Area Clean Air Plan. BAAQMD has imposed a \$4.00 surcharge on motor vehicle registrations since April of 1993. The BAAQMD sought applications from Bay Area cities, counties, school districts, transit districts, and other agencies to fund transportation programs and projects that seek to reduce air pollution from motor vehicles.

The Board of Supervisors approved a resolution on July 10, 1995, authorizing the Chief Administrative Officer to apply for \$2,975,220 from the Transportation Fund for Clean Air in the Bay Area for programs and projects to reduce air pollution from motor vehicles, including \$1,335,200 for DPT programs and projects.

DPT has been notified that it is has been awarded \$1,306,200 from the BAAQMD, which is \$29,000 less than the total amount (\$1,335,200) that DPT applied for. Therefore, the title and body of the proposed resolution should be amended to reflect the actual grant amount of \$1,306,200 that was awarded to DPT.

DPT reports that the proposed funds would be used as follows: 1) to correct malfunctioning or improperly-timed traffic signals, and to replace eight specific STOP signs with traffic signals in order to reduce traffic and transit delays (see Attachment 1 provided by DPT for the eight locations); 2) to implement a bicycle commuting telephone electronic hotline which would provide callers with information on a broad range of topics of interest to bike commuters, such as commute routes and bicycle parking, and would allow callers to leave a message for an information request; 3) to mark bicycle lanes, paint pavement markings and install signs identifying designated bicycle routes on streets which are recommended as part of the City's bikeway network; and 4) the construction and reconstruction of bicycle paths within approximately a six-mile radius from the downtown area to encourage bicycle commuting, versus single-occupant motor vehicle commuting, and the associated marking and signing of these paths.

**Budget:** Attachment 1 provided by DPT details the budgets for the 12 projects. The project budgets include the total grant funds (\$1,306,200) and the total amount of local matches (\$261,800), totaling \$1,568,000 for all 12 projects.

**Required Match:** None. (See Comment No. 1)

**Indirect Costs:** None. (See Comment No. 3)

**Comments:** 1. Although the BAAQMD does not require a local match to be eligible for the proposed grant funds, the BAAQMD provides additional selection points for grant proposals that include other sources of funding. The local matches for 11 of the 12 projects are included in the individual project budgets (see Attachment 1). One project is not receiving funds from a local match. As noted above, the total amount of local matches is \$261,800.

2. Mr. Jerry Robbins of DPT reports that, as of the writing of this report, the construction contractors have not been selected. As such, the requested total amount of \$913,000 for construction services, as reflected in Attachment 1, should be reserved, pending the submission of information to the Board of Supervisors on the selection of the contractors, the contractors' cost details, and the MBE/WBE status of the contractors.

Memo to Government Efficiency and Labor Committee  
April 23, 1996 Government Efficiency and Labor Committee Meeting

3. Mr. Robbins reports that when the DPT received authorization from the Board of Supervisors to apply for the proposed grant funds (File No. 133-95-6), the CAO had requested a waiver of indirect costs for the proposed grant funds because BAAQMD did not allow for the inclusion of indirect costs. According to Mr. Robbins, the DPT recently determined that BAAQMD now allows for indirect costs of up to 5 percent. Mr. Robbins advises that DPT developed its project budgets based on the time when BAAQMD did not allow for the inclusion of indirect costs. Therefore, DPT is requesting to continue to have the indirect costs for the proposed grant funds waived at this time.

4. Attachment 2 is a Grant Application Information form, as prepared by DPT, for the proposed grant funds.

5. A Disability Access Checklist, as prepared by DPT, is on file in the Office of the Clerk of the Board of Supervisors.

- Recommendation:**
1. Amend the title and body of the proposed resolution to reflect the actual grant amount of \$1,306,200 that was awarded to DPT.
  2. Amend the proposed resolution to reserve a total of \$913,000 requested for contractual services, pending the submission of information to the Board of Supervisors on the selection of the construction contractors, the contractors' cost details, and the MBE/WBE status of the contractors.
  3. We recommend approval of the proposed resolution as amended, except we consider the DPT's request for the continued waiver of indirect costs to be a policy matter for the Board of Supervisors.

## Attachment 1

# BUDGET INFORMATION

## Traffic Signal and Bicycle Projects

1. Traffic Signal Patrol Project

## Salaries plus fringe benefits:

DPT Electrician: (1 FTE):	\$ 75,000
DPT Assistant Traffic Engineer ( 1/2 FTE):	<u>35,000</u>
Subtotal	110,000
Contract Work	0
Equipment	0
Travel	0
Total	\$ 110,000

2. New Traffic Signal at Fulton Street/18th Avenue

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.1 FTE)	\$ 10,000
DPW Associate Electrical Engineer (0.1 FTE)	10,000
DPW Construction Engineer (0.1 FTE)	<u>10,000</u>
Subtotal	30,000
Construction Contract	<u>70,000</u>
Total	\$ 100,000

3. New Traffic Signal at Haight and Ashbury Streets

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.15 FTE)	\$ 15,000
DPW Associate Electrical Engineer (0.15 FTE)	15,000
DPW Construction Engineer (0.15 FTE)	<u>15,000</u>
Subtotal	45,000
Construction Contract	<u>105,000</u>
Total	\$ 150,000

4. New Traffic Signal at Mission and Mt. Vernon Streets

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.1 FTE)	\$ 10,000
DPW Associate Electrical Engineer (0.1 FTE)	10,000
DPW Construction Engineer (0.1 FTE)	<u>10,000</u>
Subtotal	30,000
Construction Contract	<u>70,000</u>
Total	\$ 100,000



5. New Traffic Signal at Mission and Foote Streets

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.1 FTE)	\$ 10,000
DPW Associate Electrical Engineer (0.1 FTE)	10,000
DPW Construction Engineer (0.1 FTE)	<u>10,000</u>
Subtotal	30,000
Construction Contract	<u>70,000</u>
Total	\$ 100,000

6. New Traffic Signal at Mission and Whittier Streets

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.1 FTE)	\$ 10,000
DPW Associate Electrical Engineer (0.1 FTE)	10,000
DPW Construction Engineer (0.1 FTE)	<u>10,000</u>
Subtotal	30,000
Construction Contract	<u>70,000</u>
Total	\$ 100,000

7. New Traffic Signal at Ocean and San Fernando

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.1 FTE)	\$ 10,000
DPW Associate Electrical Engineer (0.1 FTE)	10,000
DPW Construction Engineer (0.1 FTE)	<u>10,000</u>
Subtotal	30,000
Construction Contract	<u>70,000</u>
Total	\$ 100,000

8. New Traffic Signal at Irving Street and 20th Avenue

## Salaries plus fringe benefits

DPT Associate Traffic Engineer (0.1 FTE)	\$ 10,000
DPW Associate Electrical Engineer (0.1 FTE)	10,000
DPW Construction Engineer (0.1 FTE)	<u>10,000</u>
Subtotal	30,000
Construction Contract	<u>85,000</u>
Total	\$ 115,000

9. Hotline

## Salaries plus fringe benefits:

DPT Student Intern (0.3 FTE)	\$16,000
Contract work	0
Equipment	5,000
Advertising/Promotion	<u>7,000</u>
Total	\$28,000

10. Kezar Drive Path

## Salaries plus fringe benefits:

DPT Transit Planner III (0.2 FTE)	\$10,000
DPW Landscape Architect (0.4 FTE)	21,000
DPW Project Engineer (0.4 FTE)	<u>21,000</u>
Subtotal	52,000

Construction Contract	<u>208,000</u>
Total	\$260,000

11. State Route 1 Corridor Bikeway

## Salaries plus fringe benefits:

DPT Transit Planner III (0.2 FTE)	\$11,000
DPW Landscape Architect (0.4 FTE)	22,000
DPW Project Engineer (0.4 FTE)	<u>22,000</u>
Subtotal	55,000

Construction Contract	<u>165,000</u>
Total	\$220,000

12. Bicycle Lane Striping and Signage

## Salaries plus fringe benefits:

DPT Transit Planner III (0.2 FTE)	\$9,000
DPT Painter (2.5 FTE)	141,000
DPT Sign Installer (0.65 FTE)	<u>35,000</u>
Subtotal	185,000

Construction Contract	<u>0</u>
Total	\$185,000

Total grant amount: \$1,306,200

Total local matches 261,800

TOTAL \$1,568,000

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File Number \_\_\_\_\_

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying  
resolution:

Department: Department of Parking and Traffic

Contact Person: Jerry Robbins Telephone: 554-2343

Project Title: Various Traffic Signal and Bicycle Projects

Grant Source: Transportation Fund for Clean Air - AB 434

Proposed (New) / (Continuation) Grant Project Summary:

New Traffic Signals at Fulton Street/18th Avenue, Haight/Ashbury Streets, Mission/Mt. Vernon Avenue, Mission/Foote Avenue, Mission/Whittier Streets, Ocean Avenue/San Fernando Way, Irving/20th Avenue. Continuation of the Traffic Signal Patrol Program, Bicycle-Commuting Information Hotline, Bicycle Lane Striping and Signage, Kezar Drive Bicycle Path and State Route 1 Bicycle Improvements.

Amount of Grant Funding Applied for: \$1,335,200

Maximum Funding Amount Available: \$10,000,000

Required Matching Funds: \$ 266,800

Number of Positions Created and Funded: Approximately 1.5 FTE

Amount to be Spent on Contractual Services: Approximately \$900,000

Will Contractual Services be put out to Bid? Yes



Item 1c - File 38-96-8

**Department:** Public Library

**Item:** Resolution authorizing the Public Library to accept and expend a gift from the estate of Margaret Frances Wosser not to exceed the amount of \$10,000.

**Description:** The Public Library has received an unrestricted cash gift of \$10,000 from the estate of Margaret Frances Wosser. According to Ms. Mary Downey of the Public Library, the Public Library plans to use the funds to pay for in-house staff training in FY 1996-97. According to Ms. Downey, the Public Library has included \$50,000 in its proposed FY 1996-97 budget for staff training and that this gift of \$10,000 would supplement the proposed \$50,000 to enhance the staff training program.

**Recommendation:** Approve the proposed resolution.





Items 2 and 3 - Files 65-96-2 and 65-96-2.1

**Note:** These items were continued by the Government Efficiency and Labor Committee at its meeting of March 14, 1996.

**Department:** Port Commission

**Items:** Item 2 - File 65-96-2 is a resolution adopting the Final Negative Declaration, finding and determining that the proposed Pier 38 Maritime Recreation Center (on the Embarcadero between Brannan and Townsend Streets) will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration.

Item 3 - File 65-96-2.1 is an ordinance approving a Lease Agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City and County of San Francisco operating by and through the San Francisco Port Commission for a Maritime Recreation Center at Pier 38.

**Description:** Pier 38 Maritime Recreation Center Project Overview

Pier 38 is owned by the Port. Mr. Nicolas Dempsey of the Port states that Pier 38 is currently vacant, except for a small area where boats owned by one of the proposed tenants, Mr. Carl Ernst, Jr., are being stored for a fee (See Comment No. 4). In the second paragraph of page 2 of a memo shown as Attachment No. 1 to this report, Port Executive Director Dennis Bouey states that the existing condition of the Pier 38 facility is poor, and that Port staff have reported that there are significant structural problems related to the south wall and the pier and roof substructures.

The proposed tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc., approached the Port with a proposal for developing Pier 38. The proposed Pier 38 Maritime Recreation Center would be designed to provide a drystack (out-of-water) boat storage facility for approximately 300 motor boats, fueling services to customers, transient berthing, sales of new and used motor boats, motor boat rental, a maritime chandlery (store for maritime supplies), food and beverage services, customer parking, and public access. Mr. Ernst and the Pier 38 Maritime Recreation Center, Inc., would lease Pier 38 from the Port, as proposed in Item 4, File 65-96-2.1 (see details below).

The Port Commission authorized the Port to negotiate a lease, on a sole source basis, with Mr. Ernst and the Pier 38 Maritime Recreation Center, Inc. without conducting a

competitive bid, on the grounds that such a bid would be impractical or impossible (See Comment No. 1, which refers to Attachments Nos. 1, 2 and 3 provided by the Port). The Pier 38 Maritime Recreation Center, Inc. is a corporation to be formed in the future by Mr. Ernst. Mr. Dempsey advises that at this time, no principals other than Mr. Ernst are expected to be involved with this planned corporation.

The proposed lease is designed to encourage the proposed tenants to improve the property without requiring expenditures on the part of the Port, according to Mr. Dempsey. Lease provisions include a basic rent schedule that increases over the term of the lease, and significant rent credits for repair expenditures and tenant improvements to construct the planned commercial facilities. A long-term lease (20 years and nine months, with three five year options), is being proposed in order to enable the tenants to amortize their investment in the property, as well as to accommodate Mr. Ernst's plan to use the leasehold to qualify as a nontaxable property exchange in connection with unrelated property recently sold by Mr. Ernst. The option periods would only be available if a tax free exchange is completed within the first four years of the lease term.

### Item 3 - File 65-96-2

This is a resolution adopting the Final Negative Declaration finding that the proposed Pier 38 Maritime Recreation Center will have no significant impact on the environment.

On December 21, 1995 the Department of City Planning issued for public review a preliminary negative declaration for the proposed project. On February 2, 1996 the negative declaration was finalized by the Department of City Planning. The negative declaration was based on the project description developed by the proposed sole-source tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

**Item 4 - File 65-96-2.1**

**Premises  
to be Leased:**

Pier 38, on the Embarcadero between Brannan Street and  
Townsend Street:  
68,000 square feet of shed space (open bay warehouse space)  
28,000 square feet of apron space (dock area for public  
access)  
7,800 square feet of Pier Bulkhead Office Space  
180,000 square feet of water surface area (non-exclusive  
possession of water surface area)

**Permitted Uses:**

The proposed lease states that the premises shall be used as  
a maritime recreation center, with the following uses:

- visiting boat docks and moorings
- recreational boat rentals
- dry boat storage
- a maritime chandlery operation occupying not more  
than 2,500 square feet
- a new and used boat sales operation occupying not more  
than 7,500 square feet
- related maritime recreation facilities which may  
include up to two whirlpool baths and up to two saunas
- casual dining and full service dining occupying not  
more than 5,000 square feet
- administrative offices, public access, parking

**Term of Lease:**

The proposed lease term is 20 years and nine months,  
commencing on the first day of the month succeeding  
adoption by the Board of Supervisors of the proposed  
ordinance approving the lease, with three five year options  
for renewal. The first nine months are considered the  
"Preliminary Term," to allow for completion of initial  
improvements to the premises by Mr. Ernst and Pier 38  
Maritime Recreation Center, Inc., and to provide time for  
the rent up of dry boat storage spaces. (See Rent section  
below.) Mr. Dempsey advises that the lease term is  
comparable to the terms of other pier leases held by the Port,  
including Pier 33 (30 years, approved in 1980), Pier 54 (15  
years, with two five year options, approved in 1990) and Pier  
7 1/2 (20 years, with two five year options, approved in 1995).  
Mr. Dempsey further advises that the draft Waterfront Land  
Use Plan (a document that was mandated by the voters in  
1990 under Proposition H) states that it will be a general  
policy of the Port to provide "long term leases and other  
incentives for maritime industries to invest in facility  
improvements..." in existing maritime areas such as Pier  
38. According to Mr. Dempsey, Mr. Ernst plans to use the  
leasehold to qualify as a nontaxable property exchange,

connected with unrelated property recently sold by Mr. Ernst. Mr. Ernst therefore has requested a lease term, with options, of at least 30 years.

Mr. Dempsey states that the Port is willing to provide such a lease term because this term will help make the project feasible, and is consistent with the draft Waterfront Land Use Plan, which was mandated by Proposition H, passed by the voters in 1990. Mr. Dempsey reports that the draft Waterfront Land Use Plan restricts the use of Pier 38 to maritime, recreational maritime, public access and maritime support uses.

**Rent:**

Monthly Base Rent

Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. would pay a minimum total base rent to the Port, as shown below.

	<u>Monthly Rent</u>	<u>Annual Rent</u>
Preliminary Term (nine months):	\$1,000	\$9,000
Year One	5,500	66,000
Year Two	11,000	132,000
Year Three	16,500	198,000
Year Four	21,500	258,000
Year Five	27,000	324,000
Year Six	32,000	384,000
Year Seven	37,500	450,000
Year Eight	48,000	576,000
Year Nine	48,000	576,000
Year Ten	48,000	<u>576,000</u>
Total through Year Ten		\$3,549,000

Years Eleven - 20: (1) An amount equal to \$22,000 per month, or \$264,000 per year, in 1996 dollars, adjusted by the Consumer Price Index, plus (2) an additional amount for the casual and full service dining space, to be agreed upon by the Port and the tenant based on the prevailing market rent for similarly sized, improved and situated dining space. Board of Supervisors approval would not be required for such additional rental amount. If the Port and the Tenant cannot agree on a rent adjustment for the dining space, the amount would be decided by binding arbitration. Mr. Dempsey states that the current market rate for comparable dining space is \$1.00 per square foot (a total of \$5,000 per month, or \$60,000 per year for approximately 5,000 square feet of dining space). The estimated combined monthly base rent in years eleven through 20 would therefor total \$27,000 (\$22,000 plus \$5,000) in 1996 dollars, or \$324,000 per year.



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Assuming 3 percent average annual inflation, the anticipated rent schedule for years 11 through 20 is as follows:

	<u>Monthly Rent</u>	<u>Annual Rent</u>
Year 11	\$35,229	422,747
Year 12	36,286	435,429
Year 13	37,374	448,492
Year 14	38,496	461,947
Year 15	39,650	475,805
Year 16	40,840	490,079
Year 17	42,065	504,781
Year 18	43,327	519,925
Year 19	44,627	535,523
Year 20	45,966	551,588
Total Years 11-20		\$4,846,316

The foregoing estimate assumes that the dining space rent, to be negotiated at the end of Year 10, will total at least \$5,000 per month, as estimated by Mr. Dempsey. The total, 20 year rent would be \$8,395,316 (\$3,549,000 plus \$4,846,316). However, as described below, actual revenues to the Port will be significantly effected by rent credits as well as percentage rents.

Mr. Dempsey states that this proposed rent schedule represents fair market value, and is equivalent to rents that the Port receives for similarly situated facilities in similar condition. Mr. Dempsey advises that the rent schedule is designed to use higher than market base rent levels in years eight through ten to compensate the Port for the lower than market base rent levels in the early years of the lease. Mr. Dempsey further advises that the base rent in years eleven through 20 is designed to return to fair market rent levels.

Percentage Rent

Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. would pay the Port a percentage rent if the percentage rent exceeds the base rent as follows:

(1) Casual and Full Service Dining: The tenant pays the difference between (a) 20 percent of the base rent shown above, and (b) 11 percent of gross receipts from casual dining, plus 7 percent of gross receipts from full service dining.

(2) Other Facilities: The tenant pays the difference between (a) 80 percent of the base rent shown above, and (b) 7 percent of all other sales and rental receipts, including used boat sales brokerage fees, but not including gross receipts directly related to the sale of new or used boats.

Board of Supervisors  
Budget Analyst

At the election of either the Port or Mr. Ernst and Pier 38 Maritime Recreation Center, Inc., the Port could review and adjust the applicable percentage for the percentage rent every five years by up to 1 percentage point per revenue type, based on percentage rent rates for like uses in San Francisco at that time. Board of Supervisors approval would not be required for such an adjustment, as it is considered to be part of implementation of the lease provisions.

#### Opportunity Rent

Mr. Dempsey states that the rent for the first ten years of the lease, after the preliminary term of nine months, is designed so that the present value in the tenth year of all payments received over the ten year period is equivalent to level monthly payments of \$27,500 per month, or \$330,000 annually for the ten year period, adjusted annually by the CPI. The present value in the tenth year would be calculated using a discount rate of 5.75 percent. The discount rate measures the opportunity cost, which represents the Port's actual cost of bonded indebtedness.

In order to ensure that this revenue target for the Port is achieved, at the end of the first ten years of the lease (following the nine month preliminary term), the tenant would be required to pay the difference, if positive, between: (1) the present value of ten years of monthly payments of \$27,500, adjusted annually by the CPI, plus any percentage rents that would have been paid above these amounts, less (2) the net present value in the tenth year of the actual base rent plus percentage rent paid over the ten year period. This payment would be called the "opportunity rent." Mr. Dempsey advises that the provision for opportunity rent would probably only result in a payment by Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. if there is high inflation over the coming decade. If there is relatively low inflation over the coming decade, Mr. Dempsey expects that the net present value in the tenth year of the actual payments made by the tenants to the Port will be at least equal to the present value of ten years of monthly payments of \$27,500, adjusted annually by the CPI, plus applicable percentage rents.

#### **Option Rent:**

The lessee would have three five year renewal options, if the tenant completes a tax free exchange connected with unrelated property recently sold by Mr. Ernst, within the first four years of the lease term. The proposed lease states that the option rent would start at the average of the base

rent plus the percentage rent for the last three years of the lease, with annual CPI adjustments thereafter.

**Tenant  
Improvements and  
Rent Credits:**

The proposed lease contains minimum capital investment requirements of the tenant, which state that by the start of the fourth year of the lease, the tenant must show proof of investment of (1) not less than \$300,000 for items of repair and maintenance which would otherwise be the obligation of the Port, and (2) not less than \$200,000 in tenant improvements (e.g. non-repair improvements to facilitate commercial use of the property). The total required tenant investment in the facility is \$500,000 during the first three years of the lease.

The \$300,000 expenditure for repair and maintenance items would involve the facility roof, exterior walls, the pier substructure and the pier apron substructure. The proposed lease does not list specific repairs to be undertaken within these categories. Mr. Dempsey states that the tenants will have to determine which repairs are most important to their marketing efforts, subject to Port approval. Attachment No. 4 shows the repairs and improvements that the proposed tenants, Mr. Ernst and Pier 38 Maritime Recreation Center, Inc. plan to undertake to comply with this requirement.

The tenant would be entitled to dollar-for-dollar rent credits for the cost of repairs that would otherwise be the obligation of the Port, as long as the repairs are undertaken with Port approval. Therefore, the tenant would be entitled to a minimum of \$300,000 in repair-related rent credits during the term of the lease, with no maximum cap on repair and maintenance rent credits other than that exercised by the Port in approving specific expenditures.

Additionally, the tenant would be entitled to rent credits totaling 50 percent of the cost of tenant improvements approved by the Port, up to a maximum rent credit of \$1,000,000 for general tenant improvements, and \$200,000 for hazardous materials remediation and abatement, for a total of \$1,200,000, over the term of the lease. Such rent credits would include, but not be limited to, the required \$200,000 in tenant improvements. Therefore, based on the investment requirements listed above, the tenant would be entitled to a minimum of \$100,000 in tenant improvement-related rent credits (50 percent of \$200,000), and a maximum of \$1,200,000 in such rent credits over the term of the lease.

The proposed lease states that the tenant cannot claim total rent credits (including both repair/maintenance rent credits and tenant improvement rent credits) in any one month above 50 percent of the Base Rent that would otherwise be due the Port in that month. This requirement would result in spreading rent credits over a longer period of time, ensuring a minimum level of rent payments to the Port.

**Estimated  
Revenues to Port:**

Mr. Tom Girlich, Port Financial Planner, estimates that, at a minimum, the proposed lease agreement would result in estimated average annual rental revenues to the Port of \$193,326 during the first ten years of the lease, and \$264,134 during the second ten years of the lease, for total 20 year minimum estimated rental revenues of \$4.6 million.

Because of the provision limiting rent credits in any month to 50 percent of the Base Rent, the Budget Analyst estimates that total 20-year and nine month revenues to the Port would be a minimum of approximately \$4.2 million in nominal dollars (approximately 50 percent of the total scheduled Base Rent before rent credits of \$8.4 million over the term of the lease), or \$2.1 million in present value. This estimate assumes 3 percent annual inflation over the term of the lease, and dining space rent in years 11 through 20 of \$5,000 in present value. These estimates do not assume payments of percentage rent, as such payments are dependent upon the commercial success of the various retail activities planned in the project, and cannot be predicted with any accuracy at this preliminary stage of the project.

The estimate also assumes that the tenants claim the maximum rent credits during the term of the lease, which would require the tenants to invest an identical total (\$4.2 million in nominal dollars, or \$2.1 million in present value) in tenant improvements, repairs and maintenance over the term of the lease. The value of such improvements to the Port has not been included in the estimate of rental revenues to the Port.

**Utilities:** Tenant responsible for all utilities.

**Maintenance:** The Port would be responsible for maintenance of the facility roof, exterior walls, pier substructure and pier apron substructure. However, as stated above, the tenant would be required to invest \$300,000 in repairs to these aspects of the facility during the first three years of the lease, and would receive a full rent credit for any such repairs undertaken with the prior approval of the Port.



The tenant would be responsible for all other maintenance and repair of the facility.

**Comments:**

1. The Port Commission has determined that it would be impractical to conduct a competitive bid for lease of the subject property, and authorized the Port to enter into negotiations with Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. without a competitive bid. As previously noted, Pier 38 Maritime Recreation Center, Inc. is a corporation that would be formed by Mr. Ernst if the proposed lease is approved. On page 2 of Attachment No. 1, Mr. Bouey cites the following reasons why a competitive bid would be impractical or impossible: (1) Pier 38 requires substantial repairs, which would have to be underwritten by any prospective user; (2) the range and combination of maritime uses that is proposed is so unique that only the proposed bidder has both the interest and the ability to undertake the project; and (3) the facility has been essentially vacant for five years. Despite direct marketing efforts on the part of the Port, no other proposals involving acceptable proposed uses have been presented to the Port. Attachment 2 provided by the Port documents all prior direct marketing efforts. Attachment No. 3 is a copy of the Port Commission resolution finding that an RFP process would be impractical.

Mr. Harry Quinn of the Department of Real Estate (DRE) states that, in the professional judgment of the DRE, the Port is justified in its claim that a competitive bid would be impractical in this case, because (1) Pier 38 has been vacant for a long period of time, (2) the property needs substantial repairs which the Port is unable to pay for directly, so the lease must be negotiated to include tenant financing of repairs; and (3) sole source negotiation of this lease does not preclude other interested parties from leasing comparable pier property from the Port (i.e., there are other vacant pier sites). Regarding fair market value, Mr. Quinn advises that the DRE cannot evaluate the terms of Port maritime leases, because the market for such leases is unlike typical DRE leases. Attachment No. 5 contains this statement in writing from Mr. Quinn.

As previously noted, the Port has utilized various efforts to lease the subject property in the past five years to justify a determination that a Request for Proposal (RFP) process would not yield alternative qualified proposals for permissible uses on Pier 38. Such efforts include: (1) listing of the property in the Port's internal vacancy/available report



for use by Port leasing staff in matching the space needs of prospective Port tenants with Port properties; (2) posting of an "Available" sign on the property since 1993-94; (3) listing of the property in a direct mailing to Bay Area real estate brokers; and (4) telephone inquiries to seven Bay Area marina operators in 1995. Mr. Dempsey states that these efforts have yielded many inquiries, but no proposals for uses acceptable under current and proposed land use ordinances, other than that submitted by Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

2. The Port would have the right to terminate the lease if the tenant fails to make the minimum required investment of \$500,000 described above by the start of the fourth year of the lease.

3. Mr. Dempsey states that the tenant plans to make further investments in the facility in the first ten years of the lease, above the required \$500,000, which are estimated as follows: (1) \$500,000 for additional structural and facility repairs; (2) \$2,380,000 for additional tenant improvements and office and commercial build out; and (3) \$840,000 in trade fixtures and equipment, for a total planned additional tenant investment of approximately \$3.72 million. Attachment No. 4 shows the specific improvements that are planned and estimated costs. However, the provisions of the lease do not require this \$3.72 million in improvements to be made.

4. Mr. Dempsey states that approximately 2,400 square feet of the Pier 38 shell is currently being leased to Pinnacle Properties, at a lease rate of \$0.35 per square foot, or approximately \$840 per month. Mr. Dempsey advises that Pinnacle Properties is a brokerage firm, which is in turn leasing the shell space to Mr. Ernst for storage of motor boats, and, on a month-to-month basis, to a company called Clean Bay, which would be relocated to Pier 50 if the proposed lease is approved, at no cost to the Port.

5. The proposed lease states that 30 percent of all construction costs must be allocated by the tenant to MBE/WBE/DBE businesses.

6. The Budget Analyst recommends that the proposed ordinance be amended to require the Port to report to the Board of Supervisors regarding (1) the base rent terms for the dining space, which are subject to negotiation at the end of the tenth year of the proposed lease; and (2) any reduction in percentage rents during the term of the lease.

7. In the professional judgment of the Budget Analyst, a specific example of the calculation of the opportunity rent should be attached to the proposed lease, to ensure that the tenant and the Port are in agreement about how the calculation would be made. Deputy City Attorney Julie Van Nostern states that such an example will be included in the lease.

8. The Port estimates that, at a minimum, the proposed lease agreement would result in estimated rental revenues of \$4.6 million to the Port over the 20 year term of the lease, and a minimum of \$500,000 in maintenance and tenant improvement investment by the tenant. In the professional judgment of the Budget Analyst, these minimum revenue projections appear to be reasonable, but there is some uncertainty about the actual revenues to be realized by the proposed lease. Furthermore, the Budget Analyst notes that the proposed lease would provide a sole source arrangement with Mr. Ernst and Pier 38 Maritime Recreation Center, Inc.

- Recommendations:**
1. Amend the proposed ordinance to require the Port to report to the Board of Supervisors regarding (1) the base rent terms for the dining space, which are subject to negotiation at the end of the tenth year of the proposed lease; and (2) any reduction in percentage rents during the term of the lease.
  2. The Budget Analyst considers approval of the proposed resolution adopting a Final Negative Declaration (File 65-96-2) and the proposed ordinance approving a lease agreement between Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. and the City (File 65-96-2.1), as amended, to be policy decisions for the Board of Supervisors.

PORT OF SAN FRANCISCO



MEMORANDUM

February 5, 1996

Ferry Building  
San Francisco, CA 94111  
Telephone 415 274-2400  
Telex 275940 PSFUP  
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Cable SFPCRTCOMM  
Writer

TO: MEMBERS, PORT COMMISSION  
Hon. Michael Hardeman, President  
Hon. Frankie G. Lee, Vice President  
Hon. Anne Halsted  
Hon. Francis J. O'Neill  
Hon. Preston Cook

FROM: Dennis P. Bouey *DPB*  
Executive Director

SUBJECT: Adoption of Finding of Negative Declaration and Approval of Lease with Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. for a 20 year 9-month term with three 5-year options for a maritime recreation center at Pier 38.

DIRECTOR'S RECOMMENDATION: ADOPT FINDING OF NEGATIVE DECLARATION AND APPROVE LEASE AGREEMENT WITH CARL ERNST, JR. AND PIER 38 MARITIME RECREATION CENTER, INC.

BACKGROUND

Carl Ernst, Jr. and Pier 38 Recreation Center, Inc. (jointly and severally, "MRC") approached the Port desiring to lease substantially all of Pier 38 in order to establish a maritime recreation center. Mr. Ernst has over twenty years of recreational enterprise experience. He has operated marinas and boatyards in California at Lake Tahoe and Montara. Over two years of market research and concept analysis preceded his approaching the Port with this proposal. On August 29, 1995, the Port Commission adopted a resolution (Resolution 95-70) approving an Exclusive Right to Negotiate Agreement with MRC. A copy of the Memorandum and Resolution 95-70 is attached for your review and reference.

Staff has negotiated the terms of a proposed lease agreement with MRC consistent with the Port Commission's previously approved resolution.

The Pier 38 Maritime Recreation Center will offer dry boat storage and boat launching, small boat rental, transient berthing, new and used boat sales, a maritime chandlery, a casual dining snack bar and full service restaurant, related customer parking and general administrative offices and public facilities and enhanced public access. The proposed uses are consistent with the uses

THIS PRINT COVERS CALENDAR ITEM NO. 5C

February 5, 1996

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currently permitted for this site. More importantly, the use as a maritime recreation center is consistent with the uses permitted and encouraged under the Draft Waterfront Land Use Plan. Pier 38 would be transformed into an active, inviting location for residents and visitors to gather and enjoy the waterfront.

The existing condition of the Pier 38 facility is poor. The Port Maintenance and Engineering Staff has reported that there are significant structural problems related to the south wall and the pier and roof substructures.

MRC would perform renovations of Pier 38. The MRC business plan envisions expenditures exceeding \$4.2 Million Dollars allocated as follows: \$1,595,000.00 for tenant improvements and repairs, including commercial and office build outs, boat storage facilities and public access enhancement; \$1,350,000.00 for structural and facility repairs, including repairs to the roof and walls and needed piling replacement, (some of which may be repairs otherwise the obligation of the Port) and \$1,255,000.00 for fixtures and equipment. These improvements will be financed by a combination of Tenant equity and State Department of Boating and Waterways and private loans.

Pursuant to Port Commission Leasing Policy adopted August 22, 1979, and subsequently amended by Resolution 80-95 on September 10, 1980, subsection 10, the Port may enter into negotiations with a tenant without competitive bid when competitive bid is impractical or impossible and the property is proposed to be used for maritime purposes. The proposed use is a maritime-related use. In addition, staff believes that issuing a Request for Proposals for this Facility would prove impractical and impossible for the following reasons:

- The physical condition of the Pier 38 Facility requires substantial repairs. Any bid proposal would require prospective users to underwrite the costs of needed structural, roof and other repairs which would preclude sufficient interest from qualified prospective bidders.
- The range and combination of maritime and related uses in the proposed use at Pier 38 are so unique as to preclude from the field of potential bidders any other users with the interest and ability to undertake the project other than MRC.
- The Pier 38 Facility has been vacant for over five years. The Port's direct marketing efforts over the past 3 years have resulted in no other proposals for other acceptable maritime or permitted uses for Pier 38 either under the existing zoning or the Draft Waterfront Plan.

Because the above stated reasons make competitive bidding impractical, competitive bid of this Lease is not required under Port Commission policy nor under San Francisco Charter or Administrative Code Section 2.6-1.

A Final Negative Declaration for the project was adopted and issued by the Department of City Planning on February 2, 1996.



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The Final Negative Declaration is attached hereto for review. The Final Negative Declaration found that there is no substantial evidence that the proposed maritime recreation center could have a significant effect on the environment. No measures of mitigation are required.

### Terms

#### Premises

The Premises is comprised of 68,000 useable square feet of shed space, 28,000 square feet of pier apron and stringer, 7,800 square feet of bulkhead office, and the non-exclusive use of 180,000 square feet of water space.

#### Uses

##### Permitted Uses

A maritime recreation center limited to dry boat storage and launching facilities; transient berthing for not more than 72 hours per visit; small boat rental; maritime recreational equipment rental; new and used boat sales occupying not more than 7,500 square feet; a maritime chandlery occupying not more than 2,500 square feet; Casual Dining and Full Service Dining including therein the sale of alcoholic beverages for on-site consumption occupying not more than 5,000 square feet (No sales of alcoholic beverages for off-site consumption shall be permitted); general and administrative offices for related functions; customer parking for a maximum of 100 vehicles; related support locker rooms.

##### Prohibited Uses

The Lease will prohibit the use of the Premises for boat excursion services, site seeing tours, dinner or cocktail cruises, water taxi service, exercise, health spas or fitness centers, video arcades or electronic game rooms, R.V. storage, and public parking for other than customers or guests and non project-related office use.

#### Term

The Term is twenty (20) years and nine (9) months with three 5-year Options. The first nine months allow for initial build out of the Premises and for rent up of dry boat storage spaces. Options are provided in event of a delayed "1031" Exchange. (IRS rules allow for an "exchange" of fee interests and leasehold interests provided that the leasehold interest is for not less than 31 years.) If the tenant fails to effect the anticipated exchange within the first four years of the Term, the Options expire.

##### Right of Early Termination

The Tenant will have the one time right to terminate at the end of the tenth year of the Term or at other times if the Port fails to undertake Port maintenance items and the Tenant chooses not to undertake such repairs. The Port may terminate if MRC fails to secure all necessary governmental permits within the first 6 months of the Term or if, at the end of the third year, the Tenant has not made the minimum required investment as set forth below or if, upon written notice by the Port, the Tenant fails to repair a hazardous/life-safety condition which is either the Port's responsibility or the Tenant's responsibility to repair.



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#### Base Rent

The Base Rent schedule during the first 10 years of the Term is designed to guarantee the Port a cash flow equivalent to the net present value of a Base Rent equal to \$27,500 per month as if it had been adjusted by annual CPI increases. Within this \$27,500 per month Base Rent, \$22,000 is allocated to that portion of the Premises not used for restaurant uses ("Maritime Base Rent") and \$5,500.00 is allocated to the areas dedicated to Casual and Full Service Dining ("Restaurant Base Rent") (cumulatively "Base Rent")

The Base Rent schedule is structured as follows:

For the Preliminary Term (9 months) One Thousand Dollars (\$1,000.00) per calendar month.

For the First Lease Year: Five Thousand Five Hundred Dollars (\$5,500.00) per calendar month;

For the Second Lease Year: Eleven Thousand Dollars (\$11,000.00) per calendar month;

For the Third Lease Year: Sixteen Thousand Five Hundred Dollars (\$16,500.00) per calendar month;

For the Fourth Lease Year: Twenty One Thousand Five Hundred Dollars (\$21,500.00) per calendar month;

For the Fifth Lease Year: Twenty Seven Thousand Dollars (\$27,000.00) per calendar month;

For the Sixth Lease Year: ) Thirty Two Thousand Dollars (\$32,000.00) per calendar month;

For the Seventh Lease Year: Thirty Seven Thousand Five Hundred Dollars (\$37,500.00) per calendar month;

For the Eight, Ninth and Tenth Lease Years: Forty Eight Thousand Dollars (\$48,000.00) per calendar month;

For the Eleventh through the Twentieth Lease Year: A Maritime Base Rent of Twenty Two Thousand Dollars (\$22,000.00) adjusted by the CPI from the Lease Commencement Date (1996), plus an amount equal to the fair market rental value for the "Restaurant Base Rent" to be agreed upon by the parties or failing an agreement, to be determined by binding arbitration.

#### Base Rent Adjustments

In the eleventh year, monthly Maritime Base Rent will be based on a ten year CPI adjustment on \$22,000.00. The Restaurant Base Rent will be adjusted to fair market value by mutual agreement. If the Port and Tenant fail to agree on the adjusted Restaurant Base Rent, the matter will be determined by arbitration. This procedure will be used to adjust the Restaurant Base Rent

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every five years. In subsequent and intervening years, all Base Rents will be adjusted annually by CPI adjustment.

#### Opportunity Rent

In order to insure that the actual cash flow equals the then net present value of \$27,500 per month over a ten year period, at the end of the tenth lease year an "Opportunity Rent" will be payable by MRC which will be equal to the difference between the net present value of all rents actually received as compared to the net present value of \$27,500 per month, as if adjusted annually by the actual CPI increases during the first ten years plus any percentage rents that would have been payable given that assumed Base Rent.

#### Option Rent

In the option periods, the Base Rent will be the greater of 115% of the average Base Rents and Percentage Rents for the previous three years or the Port's minimum rent for as improved, similarly situated facilities per published Port schedule.

#### Percentage Rent

Percentage Rent will be payable at a rate of 7% of Gross Maritime Sales and boat sale brokerage fees versus the Maritime Base Rent. New and used boat sales will be excluded from the definition of Gross Maritime Sales. Percentage Rent for food sales will be payable at a rate of 7% for full service dining and 11% for casual dining versus the Restaurant Base Rent.

#### Percentage Rent Adjustment

The applicable percentages are subject to adjustment every five years and are to be determined at the Port's sole and reasonable discretion. The actual increase or decrease can be no more than one (1) percentage point per adjustment period per revenue type. In the eleventh year and for any option period, if the parties fail to agree on the rate, the Restaurant Percentage Rent shall be determined by arbitration.

#### Maintenance Obligations

The Port agrees to maintain the pier substructures and the structural portions of the roof and exterior walls and to maintain the roof and walls in a water tight condition. All other items of maintenance and repair are the sole obligation of MRC.

Should the Port determine not to undertake such maintenance and/or repairs, the Lease provides that the Tenant's sole remedy is to either assume the repairs and/or maintenance at its own expense subject to the receipt of rent credits for the cost of such undertakings, or terminate the Lease. The Port can void any such termination by making the needed repairs.

#### Facility Improvements Required Tenant Expenditure

During the first 3 years of the Term, the Tenant must spend not less than \$300,000.00 for repairs that would otherwise be the obligation of the Port (e.g. roof, roof structure, pier substructure, exterior walls, apron substructure) and not less than \$200,000.00 for tenant improvements.

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#### Other Tenant Investments

MRC anticipates investing an additional \$3.7 Million Dollars allocated as follows:

- \$1,050,000.00 for structural and other facility repairs;
- \$1,395,000.00 tenant improvements and office and commercial build out;
- \$1,255,000.00 in trade fixtures and equipment.

#### Rent Credits

##### Tenant Improvements

The tenant shall be entitled to rent credits for 50% of the cost to install or construct capitalizable tenant improvements (excluding furniture, fixtures and equipment) up to a maximum available rent credit of \$1,000,000.00 for tenant improvements and up to \$200,000.00 for hazardous materials remediation and abatement over the Term provided that the Port first approves such improvements or work.

##### Repairs Undertaken on Behalf of the Port

The Tenant shall be entitled to receive a dollar for dollar rent credit for the cost of undertaking repairs otherwise the obligation of the Port (e.g., roof, roof substructure, pier substructure, exterior walls, apron substructure, etc.) provided that the Port first approves such repairs.

##### Application of Rent Credits

In no event shall rent credits available for any one month be greater than one half of the Base Rent otherwise payable to the Port for that same month.

##### Assignment and Subletting

Subject to Port's reasonable approval of assignment or subletting, the Port will receive 50% of the sums received by the Tenant in excess of rent less subletting or assignment expenses.

##### Affirmative Action

An Affirmative Action Plan, as approved by the Port, for construction and hiring will be incorporated in the Lease. Thirty percent of all construction costs must inure to benefit MBE, WBE, and DBE contractors.

#### SUMMARY

The nature of the proposed use, a full service maritime recreation center and the anticipated improvements and repairs to the Pier 38 facility, together with enhanced public access to the waterfront, are consistent with the proposed Waterfront Land Use Plan and represent a significant benefit to the Port, City and County of San Francisco.

## PORT OF SAN FRANCISCO

### Memorandum



**Date:** March 7, 1996

**To:** Eve Sternberg  
Budget Analyst's Office  
Board of Supervisors

**cc:** Frederick D. White  
Veronica Sanchez

**From:** Nicolas J. Dempsey

**Re:** Proposed Lease, Pier 38  
Maritime Recreation Center

By telephone, you have requested that the Port document its direct marketing efforts relative to the possible occupancy and development of the Pier 38 pier and bulkhead facility.

Until March of 1991, the entirety of the Pier 38 facility was occupied by Service Engineering Co., an in-water ship repair facility. That operation was subsequently moved to Pier 50, south of China Basin.

Following Service Engineering Company's departure, the Pier Shed and Bulkhead offices were added to the Port's BIFLAVACA. The BIFLAVACA is the Port's internal vacancy/available report and is utilized by the Port's leasing staff to match the space requirements of prospective tenants with available and suitable Port properties.

Unfortunately, the physical condition of the Pier 38 substructure and above water improvements was so wanting as to preclude continued interest by tenants requiring even basic open bay Shed Space for storage or other similar purposes. The roof leaked and was incapable of handling the smallest of rain showers. The concrete on the southern walls of the Shed was sloughing off to the point that the Internal steel reinforcing system was rusting. The offices lacked sufficient power. In addition, the leasing of a portion of the Bulkhead Building to the San Francisco Redevelopment Agency as a part of the South Beach Marina project resulted in an elimination of code-required secondary exiting corridors for the second floor Bulkhead offices.



Eve Sternberg  
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As a result, the only tenants willing to lease space (temporary or long term) were the San Francisco Municipal Railway and the Southern Waterfront Transportation Project General Contractor, Stacey/Whitbeck. Muni had a temporary need (6 months) for covered storage for out-of-service and out-of-repair buses, awaiting dismantling. Stacy/Whitbeck construction needed a small field office for the Southern Waterfront Transportation Project and leased 1,500 square feet of Bulkhead office space.

A small portion of the Pier Apron and Stringer was licensed to the ship Clean Bay II as a "parking" space for this oil spill response vessel.

In an effort to more aggressively market the facility, the Port chose Pier 38 as the first location to display the Port's new "Available" signs and included the facility in its direct mail program to the San Francisco Bay Area real estate brokerage firms. These efforts in 1993-4 coupled with the Port's press releases in September of 1993 announcing the Port's new real estate leasing commissions generated significant and varied interests in the Pier 38 facility.

However, in every instance, save the instant proposal, each inquiry involved development proposals that were inconsistent with either existing use restrictions or the Draft Waterfront Land Use Plan, or both.

Proposition H, an initiative passed by the voters in 1990 mandated the creation of a Waterfront Land Use Plan controlling the future development of the Port's Waterfront properties. The final Draft Waterfront Land Use Plan as approved by the Port Commission restricts the use of Pier 38 to primarily maritime and recreational maritime uses. (See attached "Acceptable Land Use Table: South Beach/China Basin". Hotels, General Office Buildings and similar commercial and general retail opportunities are not permitted.

The Port's Director of Tenant and Maritime Services and the Port's leasing staff received numerous inquiries from real estate brokers wanting to lease the facility for redevelopment as hotels, office buildings, live-work lofts, residential apartments and similar unacceptable uses. One proposal was for an education center in connection with a "Dinosaur Amusement Park".

Most of the dozens of inquiries involved office and/or hotel development of the entire pier. Many inquiries involved restaurant use of only the southernmost portion of the Bulkhead Building along its Embarcadero frontage.

When the Pier 38 Maritime Recreation Center proposal was received by the Port's leasing staff direct inquiries were made of other Bay Area marina operators to determine if there was sufficient alternative maritime interest to warrant a Request For Proposal (RFP) for such a use.

This writer contacted the following Marina operators who responded to our phone inquiries

Hunting Gate Group, Alameda  
Fortman Marina, Alameda



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Clipper Yacht Harbor, Sausalito  
Grand Marina, Alameda  
Kappas Marina, Sausalito  
Oyster Point Marina, South San Francisco  
New Bridge Marina, Antioch

Several other marina operators (Loch Lomond Marina, San Rafael; Schoonmaker Point, Sausalito; Richmond Marina, Richmond) did not return calls after we left voice-mail messages.

While there was interest in any opportunity to develop an in-water conventional marina, none of those contacted were interested in operating a dry boat storage facility, and boat chandlery or boat sales facility or other use of the Pier facility.

This lack of interest was expressed without their knowing the physical condition of the pier and the projected costs to repair the substructure and above water improvements.

In the mean time, the Port had twice Issued Requests for Proposals (RFP) for the leasing and redevelopment of the Mission Rock Resort restaurant and marina at 817 Terry Francois Blvd (nee' China Basin Street). The poor physical condition and high inherent costs to bring that much smaller facility and 23 boat marina up to code in conjunction with the rental structure and short (10 years) lease term resulted in no acceptable bids.

A similar Request for Proposals for the use of Pier 48, south of China Basin, resulted in no responsive bid proposals.

This experience caused the Port to ask of itself whether or not any alternative proposals for Pier 38 would be economically feasible given the fact that a change of use would necessarily trigger a structural and seismic upgrading of the facility. It was determined that the Port would undertake a structural analysis of the Pier structure and substructure. That analysis is attached for your review. It indicates that nearly \$2.4 million dollars would be required to restore the Pier apron and fendering systems. An additional \$210,000.00 was projected for roof repairs and replacement. An ongoing study indicates that the replacement of a percentage of pier sub-structure pilings in the low teens will be necessary. This will involve substantial sums in the mid six figure range. No analysis has been prepared relative to the restoration of the Shed exterior walls.

While there is no doubt that the offering of this facility for non-maritime uses (which would be unacceptable to the Port and the Draft Waterfront Land Use Plan) would result in many proposals, there are few if any parties with the vision to develop the pier consistent with the community's expressed wishes as expressed by Proposition H and the Draft Waterfront Land Use Plan.

In addition the Port has other possible suitable facilities on the Southern Waterfront that could be made available for competing uses if sufficient demand were to develop.

Eve Sternberg  
March 7, 1996  
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The San Francisco Port Commission has adopted a policy that commercial development opportunities along the waterfront should be subject to competitive bidding unless the project involves maritime use and to do so would prove impractical or infeasible. It is, the finding of the Port Commission that the existing condition of the Pier 38 facility is such that competitive bidding for maritime uses consistent with the Draft Waterfront Land Use Plan and providing for the unique combination of dry boat storage, transient berthing, chandlery, new and used boat sales, dining and enhanced public areas would prove infeasible and impractical. The Port's leasing, Planning and Development staffs concur.

G:\WP51\MEMOS\ESTERNBE.ND\ND\etMarch 7, 1996

PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 96-20

- WHEREAS, Charter Section 3.581 grants to the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and
- WHEREAS, Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. (collectively "MRC") have proposed to develop a full service maritime recreation center at Pier 38; and
- WHEREAS, The proposed use of Pier 38 as a maritime recreation center is consistent with the uses permitted in the Draft Waterfront Land Use Plan previously approved by the Port Commission;
- WHEREAS, Staff has negotiated all of the terms and conditions of a proposed lease with MRC; and
- WHEREAS, On December 21, 1995, the Department of City Planning issued for public review and comment a Preliminary Negative Declaration, Case No. 95-546E for the proposed Pier 38 Maritime Recreation Center and on February 2, 1996 the Negative Declaration was finalized; and
- WHEREAS, The Port Commission has determined that given the unique nature of the use, and for the reasons set forth in the Memorandum to the Port Commission for Agenda Item 5C for the Port Commission meeting on February 13, 1996, a request for proposals for a Lease would prove both impractical and infeasible; now therefore, be it
- RESOLVED, That this Port Commission has considered and reviewed the Final Negative Declaration and hereby adopts said Final Negative Declaration and hereby finds that the Pier 38 Maritime Recreation Center described therein will have no significant impact on the environment, and adopts and incorporates herein by reference thereto, the findings of the Final Negative Declaration, Case No. 95-546E, issued by the Department of City Planning, a copy of which is on file with the Secretary of the Port Commission; and be it further

RESOLVED, That the San Francisco Port Commission hereby approves entering into Lease No. L-12120 with Carl Ernst Jr. and Pier 38 Maritime Recreation Center, Inc. substantially on the terms and conditions outlined in the Memorandum to the Port Commission for Agenda Item 5C for the Port Commission meeting on February 13, 1996 and as more fully contained in said lease; and further, be it

RESOLVED, that the Executive Director is hereby directed to forward Lease No. L-12120 to the Board of Supervisors of the City and County of San Francisco for approval by ordinance pursuant to City Charter Section 7.402-1.

*I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 13, 1996.*

*Amelia G. Garcia*  
Secretary

## Pier 38 - Improvements Budget - Phase 1 (24 Months)

ITEM	BUDGET
<b>A. Main Building - Boat Storage</b>	
Boat Racks	\$ 300,000
Firesprinklers	\$ 150,000
Roofing	\$ 150,000
Painting	\$ 100,000
Structural Repairs	\$ 100,000
Electrical & Lighting	\$ 100,000
Boat Launch System	\$ 100,000
Misc. Plumbing	\$ 15,000
Misc. Repairs	\$ 25,000
Misc. Door & Window Repair & Replacement	\$ 50,000
Entry Gate & Railings	\$ 15,000
Misc. Demolition	\$ 25,000
Fuel Storage/Pump	\$ 15,000
Subtotal	\$ 1,145,000
<b>B. Transient Dock/Floats/Promenade</b>	
Deck/Fender Repair	\$ 150,000
Stairs/Gangways	\$ 150,000
Floats/Piles	\$ 250,000
Safety Railings	\$ 50,000
Subtotal	\$ 600,000
<b>C. Retail Buildout</b>	
Bar/Restaurant (2,000 s.f.)*	\$ 40,000
Equipment for Bar/Restaurant*	\$ 25,000
Boat Showroom (3,500 s.f.)*	\$ 35,000
Chandlery (1,500 s.f.)*	\$ 30,000
Subtotal	\$ 130,000
<b>D. Misc.</b>	
Management Office	\$ 30,000
Restrooms/Changing Facilities	\$ 40,000
Sewage pumpout	\$ 15,000
Subtotal	\$ 85,000
<b>E. Other</b>	
Architectural*	\$ 40,000
Engineering*	\$ 50,000
Permits & Fees	\$ 25,000
Insurance etc.	\$ 25,000
Construction Management	\$ 120,000
Subtotal	\$ 260,000
<b>Total</b>	<b>\$ 2,220,000</b>
*Less Amount Not Eligible For B & W Loan	\$ 220,000
Amount Of Boating & Waterways Loan	\$ 2,000,000



Pier 38 - Improvements Budget - Phase 2 (Year 4)

ITEM	Budget
Bar/Restaurant Expanded to End of Pier (5000 s.f.)	\$ 450,000
Remodel/Expand Showroom	\$ 100,000
Remodel/Expand Chandlery	\$ 50,000
Additional Structural Repairs	\$ 100,000
Additional Fender Repair/Replacement	\$ 100,000
Misc. Repairs	\$ 40,000
Achitectural & Engineering	\$ 50,000
Permits & Fees	\$ 25,000
Insurance etc.	\$ 25,000
Construction Management	\$ 60,000
Total	\$ 1,000,000

Pier 38 - Improvements Budget - Phase 3 (Year 8)

ITEM	Budget
Repair & Replace existing Fender & Deck	\$ 700,000
Misc. Structural Repairs	\$ 200,000
Arhitecture & Engineering	\$ 25,000
Permits & Fees	\$ 15,000
Insurance etc.	\$ 20,000
Construction Management	\$ 40,000
Total	\$ 1,000,000

## City and County of San Francisco

## Real Estate Department

Office of the  
Director of Property

March 8, 1996

S. F. Port Commission  
Proposed Lease at Pier 38Harvey Rose  
Budget Analyst  
1390 Market St., Suite 1025  
San Francisco, CA 94102

Dear Mr. Rose:

This is to confirm my conversation with Eve Sternberg of your staff regarding the proposed lease at Pier 38 by the San Francisco Port Commission.

Based on the information your office supplied, it appears that a competitive bid process for this particular site is impractical for the following reasons: (1) Pier 38 has been vacant for a long period of time, even after an extensive marketing effort; (2) Pier 38 needs substantial repairs which the Port is unable to provide, and a negotiated lease seems to be a reasonable approach to obtain a financially responsible tenant who is able to provide the needed improvements; and (3) there are additional rental opportunities on other vacant pier sites.

As to the fair market rental value of the proposed lease, we have no comment since we are not familiar with the economics of Port maritime leases.

Sincerely,

A handwritten signature in dark ink, appearing to read "Harry J. Quinn".

Harry J. Quinn  
Assistant Director of Property

HQ:\c:\Pier38.doc\Ltr.3.8.96

Item 4 - File 25-96-4

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of April 9, 1996.

**Department:** DPW  
Bureaus of Engineering and Construction Management

**Item:** Resolution to approve the Controller's certification that security guard services at 1680 Mission Street for the Bureaus of Engineering and Construction Management of the DPW can continue to be practically performed by a private contractor at a lower cost for Fiscal Year 1996-97 than if the work were performed by City and County employees.

**Services to be Performed:** Security guard services include the provision of one guard to monitor and patrol the offices of the DPW's Bureaus of Engineering and Construction Management located at 1680 Mission Street, during office hours and after office hours as requested by the DPW.

**Description:** Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for security guard services at 1680 Mission Street for the DPW's Bureaus of Engineering and Construction Management for FY 1996-97 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$54,477	\$64,331
Fringe Benefits	<u>20,167</u>	<u>22,289</u>
Total	\$74,644	\$86,620
<u>Contractual Services Cost</u>	<u>36,540</u>	<u>36,540</u>
<u>Estimated Savings</u>	\$38,104	\$50,080

**Comments:**

1. Security guard services were first certified as required by Charter Section 8.300-1 in 1991 and have been provided by an outside contractor since 1991.
2. The DPW has contracted with McCoy's Patrol Services to perform security guard services since March 13, 1991. The original contract term was for two years (through March 13, 1993) with options to extend the contract for periods of up to one year by written mutual agreement between the DPW and the contractor. The DPW and McCoy's Patrol Services have previously mutually agreed to three one-year contract extensions, through March 31, 1996.
3. According to Mr. Carlos Chavez of the Purchasing Department, the terms of the above-mentioned contract are standard for City service contracts. Mr. Chavez advises that typically contracts are extended two times for a period of up to one year. The proposed resolution will authorize the DPW to extend the contract with McCoy's Patrol Services for a fourth time for a one-year period.
4. The existing contract with McCoy's Patrol Services to perform security guard services expired on March 31, 1996. Approval of the proposed resolution should be amended to retroactively concur with the Controller's certification, according to Mr. Ted Lakey of the City Attorney's Office.
5. The DPW reports that McCoy's Patrol Services' employee workforce plan has been approved by the Human Rights Commission. Further, the DPW reports that employees of McCoy's Patrol Services do not receive health care benefits. On April 9, 1996, the Government Efficiency and Labor Committee continued the proposed resolution so the Committee could examine the issue of requiring contractors to provide health care benefits to their employees. Mr. Geistlinger of the Purchasing Department has directly provided Committee members with information pertaining to health care benefits as shown in Attachment 1.
6. The Contractual Services Cost used for the purpose of this analysis is the current contractor's estimate of providing security guard services for FY 1996-97.
7. The Controller's supplemental questionnaire with the DPW's responses, including the MBE/WBE status of this contract, is shown in Attachment 2.

Memo to Government Efficiency and Labor Committee  
April 23, 1996 Government Efficiency and Labor Committee Meeting

- Recommendations:**
1. Amend the proposed resolution to retroactively concur with the Controller's certification (see Comment No. 4).
  2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.



## City and County of San Francisco

## Purchasing Department



April 15, 1996

 RECEIVED  
 BOARD OF SUPERVISORS  
 SAN FRANCISCO

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Bv

To: Sup. Tom Ammiano, Chair, Government Efficiency and Labor Committee  
 Sup. Mabel Teng, Vice-Chair, Government Efficiency and Labor Committee  
 Sup. Michael Yaki, Member, Government Efficiency and Labor Committee

Through: William L. Lee *W. Lee*  
 Chief Administrative Officer

From: M. H. Geistlinger *M. H. Geistlinger*  
 Director of Purchasing

Subject: Background on Requiring Medical Benefits in Service Contracts

I am following up on a conversation today between Mike Housh of Sup. Ammiano's office and Marc Rosaaen of Purchasing. The subject was how to implement a requirement for medical benefits in service contracts.

The City Attorney has historically advised that, for the City to require contractors to provide medical benefits for their employees, the Administrative Code must be amended. In 1988, a Supervisor asked the City Attorney to draft an Ordinance containing such a requirement. After the Ordinance was initially drafted, the Public Health Department was asked to develop a model for medical coverage to be included in the Ordinance. Before the model could be developed, the Ordinance's sponsor left the Board, and no further action was taken.

Sup. Ammiano's office advised that they would ask the City Attorney's Office to locate the draft Ordinance so that the Committee could consider it further.

If I can provide any additional information, please let me know.

cc: Marc Rosaaen

## CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Public WorksCONTRACT SERVICES: Security Guard ServiceCONTRACT PERIOD: 03/12/96 to 03/12/97

- (1) Who performed activity/service prior to contracting out? Certain private contractor was performing for the previous occupant. This building was opened out for this Bureau since 1991 only.
- (2) Number of City employees laid off as a result of contracting out? None.
- (3) Explain disposition of employees if they were not laid off? Not applicable. Current contractor was engaged since the commencement of operation of this Bureau in 1991.
- (4) What percentage of City employee's time is spent on services to be contracted out? None
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out? 5 Years - Ongoing.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year? 1990-91. Every three years.
- (7) How will contract services meet the goals of your MBE/WBE Action Plan? Current contractor has MBE status.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees? No. They do not.

Department Representative: George ThoppilTelephone Number: (415) 554-8356



Memo to Government Efficiency and Labor Committee  
April 23, 1996 Government Efficiency and Labor Committee Meeting

Item 5 - File 65-96-6

**Department:** Real Estate Department  
Public Library

**Item:** Ordinance authorizing and approving a new lease of space in the new Main Library at 200 Larkin Street to Robin Boley-Alvarez and Francois Alvarez commencing April 18, 1996.

**Location:** 200 Larkin Street (Portion of First Floor)

**Purpose of Lease:** Cafe

**Lessor:** City and County of San Francisco

**Lessee:** Robin Boley-Alvarez and Francois Alvarez

**No. of Sq. Ft. and Cost Per Month:** Approximately 683 square feet @ \$3.25 per sq. ft., or \$2,219.75 per month, plus 10 percent of the gross quarterly sales of \$66,592.50 up to \$120,000 and 11 percent of all gross quarterly sales in excess of \$120,000. In other words, Lessee would pay percentage rent on gross sales at or above \$66,592.50.

**Annual Revenues:** \$26,637 per year in base rent payable to the City by Robin Boley-Alvarez and Francois Alvarez, plus 10 percent of the gross quarterly sales of \$66,592.50 up to \$120,000 and 11 percent of all gross quarterly sales in excess of \$120,000.

**Term of Lease:** April 18, 1996 to June 30, 1999 (3 Years and 2-1/2 Months)

**Utilities and Janitor Services:** Utilities would be provided by the City. Janitorial services, pest control and maintenance of the interior of the cafe would be the responsibility of the Lessee.

**Right of Renewal:** One 5-year Renewal Option

**Comments:** 1. The proposed lease provides that, in addition to the 683 square feet of space for the cafe on the first floor of the new Main Library, the Lessee may operate one or more satellite coffee carts in other sites of the building upon approval of the City Librarian and the City's Director of Property. Under the terms of the proposed lease, the City has set basic guidelines for food items and prices for the cafe and the satellite coffee carts. The Request for Proposal (RFP) states that the guidelines for food items and prices are

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

designated to include moderately priced fresh food items such as pastries and desserts, sandwiches, soups, and salads, some hearty, nutritious lunches for under five dollars, coffee, espresso, tea, juices, and soft drinks must be available, and availability of wine and beer is preferred but not required. However, according to Mr. Steve Hoppe of the Real Estate Department, the actual prices for the cafe and the satellite coffee carts are to be set by the Lessee without subsequent approval by the Public Library. The terms of the proposed lease provide that most aspects of the satellite coffee carts including design, appearance, food/beverage menu, and exact location of such satellite coffee carts must be approved by the City Librarian and the City's Director of Property. Additionally, the terms of the proposed lease provide that with respect to the cafe, the City Librarian would have final approval regarding advertising signs on the cafe premise and in other areas of the interior/exterior of the building.

2. The proposed lease also provides that the City will pay for tables and chairs as well as equipment such as refrigerators, dishwasher, and counter space for the cafe. The satellite coffee carts, if any, will be paid for by the Lessee. Additionally, the proposed lease provides that the City will be responsible for paying for improvements to floors, walls, and ceilings in the cafe in order to meet the City Building Code standards. Such furniture, equipment, and improvements are estimated by the Public Library to cost approximately \$47,385. The Attachment, provided by Mr. Jim Chang of the Public Library, provides the cost details and the funding source for the furnishings, equipment, and the improvements for the cafe. Mr. Chang states that the Lessee is to pay for the maintenance and repairs of the equipment when warranties expire.

3. According to Mr. Hoppe, the Lessee, Robin Boley-Alvarez and Francois Alvarez, was selected through a RFP process in which eight proposals were evaluated by a committee which included a total of six representatives including two from the Library, two from the Library Foundation, one from the Human Resources Commission, and one from the Real Estate Department. Mr. Hoppe advises that Robin Boley-Alvarez and Francois Alvarez were selected by the committee because their proposal best met the overall criteria specified in the RFP.

The eight firms which submitted proposals, together with their MBE/WBE status and the minimum monthly base



Memo to Government Efficiency and Labor Committee  
 April 23, 1996 Government Efficiency and Labor Committee Meeting

lease amounts plus percentages of gross sales proposed, are as follows:

<u>Name of Firm</u>	<u>MBE/WBE</u>	<u>Proposed Lease Amount</u>
Cyril W. Wong	No	\$1,707.50 mo. base rent/1-6mos. \$1,878.25 " /7-18mos. \$2,049 " /19-38mos. Plus 5% of gross annual income to be contributed to Children's Reading Fund Plus 5% of gross annual income to be contributed to Deaf and Hearing Impaired
Zarah Penacerrada-Llemos and Nonito Llemos	No	\$2,000 monthly base rent plus 3% monthly gross sales
Youngsoon Ahn and Kyo Min Ahn	No	If under \$40,000 gross sales per month, base rent is \$6,150/per month In excess of \$40,000 gross sales per month, base rent is 5.375% of gross sales
Julia and Anthony Chan	No	\$1,024 monthly base rent or 5% of monthly gross sales whichever is greater.
Tuan Nguyen	No	No monthly rent base nor percentage of gross sales proposed
Pasqua Coffee	No	No monthly rent base nor percentage of gross sales proposed
Albina and Mario Galetto	No	No monthly rent base nor percentage of gross sales proposed
Robin Boley-Alvarez and Francois Alvarez	No	\$16,392 annual base rent (\$1,366 per month) or 6% of annual gross sales whichever is greater.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. According to a Memorandum of Understanding (MOU) between the Public Library and the San Francisco Library Foundation (File 65-96-5) which is pending before the Board of Supervisors, the Library Foundation may contract with the Public Library to provide events management services at the new Main Library. The Library Foundation plans to occasionally use the cafe and its equipment for after-hours special events. Mr. Hoppe states that the Library Foundation may secure catering services from other outside caterers or from the proposed Lessee.

5. The Lessee will indemnify the City against claims arising out of the Lessee's use of the leased premises and will carry insurance satisfactory to the City's Risk Manager.

6. Mr. Hoppe advises that the combination of monthly base rent plus the percentage of gross sales represents the fair market value of the lease.

7. Mr. Chang advised that there was no cafe or satellite coffee cart service operated at the old Main Library.

**Recommendation:** Approve the proposed ordinance.

ID:

JAN 22'02

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Sheet				COST		FUNDING SOURCE	
<b>CAFE SUMMARY</b>							
<b>A. FURNISHINGS AND EQUIPMENT</b>						<b>TO BE DETERMINED</b>	
1.	TABLES (9)			1,800			
2.	TABLE S, BOOTH AREA			2,600			
3.	CHAIRS (18)			2,000			
4.	UNDERCOUNTER REFER. (18.5 cf)			2,000			
5.	STAND ALONG REFER. (22.7 CF)			2,000			
6.	ICE MAKER (120#)			3,500			
7.	STAINLESS STEEL SINKS (2)			2,000			
8.	UNDERCOUNTER DISHWASHER			2,000			
9.	STAINLESS STEEL PREP TABLES (2)			3,000			
10.	SERVING COUNTER (11'-0") WITH SNEEZE GUARD			8,000			
<b>TOTAL</b>				<b>28,900</b>		<b>28,900</b>	
<b>B. MINOR IMPROVEMENTS</b>						<b>BOND</b>	
<b>FIELD WORK ORDER #455 (FLOORS, WALLS &amp; CEILING)</b>							
1.	SHEET VINYL FLOORING			3,100			
2.	REPAINT WALLS			865			
3.	FIBERGLASS REINFORCED WAINSCOT			5,750			
4.	SURFACE MOUNTED TOWEL DISPENSER			865			
5.	REPLACE (E) 2X2 CEILING WITH VINYL FACED NON-PERFORATED TILES			865			
<b>SUBTOTAL</b>				<b>11,445</b>	<b>11,445</b>		
<b>FIELD WORK ORDER #455.1R (WATER LINE)</b>						<b>TO BE DETERMINED</b>	
1.	1/2" COLD WATER CONNECTION						
2.	1-1/2" SS LINE						
3.	2" X 1-1/2" DWV REDUCER						
4.	INDIRECT WASTE CONNECTION						
<b>MATERIAL</b>				<b>2,400</b>			
<b>LABOR</b>				<b>1,920</b>			
<b>SUBTOTAL</b>				<b>4,320</b>	<b>4,320</b>		
<b>FIELD WORK ORDER # 460 (OUTLETS)</b>						<b>TO BE DETERMINED</b>	
1.	ADD RECEPTACLES (4 TOTAL: 3 @ 220V & 1 @ 110V)						
2.	ADD 30 AMP BREAKERS (4)						
3.	CONNECTION TO ELECTRICAL PANEL						
<b>MATERIAL</b>				<b>420</b>			
<b>LABOR</b>				<b>2,300</b>			
				<b>2,720</b>	<b>2,720</b>		
<b>SUBTOTAL</b>					<b>18,485</b>	<b>18,485</b>	
<b>GRAND TOTAL</b>						<b>47,385</b>	



Item 6 - File 97-96-15

- Department:** Department of Public Works (DPW)  
Parking and Traffic Commission  
Public Utilities Commission  
Port Commission  
Airports Commission  
Public Transportation Commission
- Item:** Ordinance amending Section 1.49 of the San Francisco Administrative Code regarding Hold Harmless Agreements with the California Department of Transportation (CalTrans).
- Description:** In order for a City department to encroach on the property of the State Department of Transportation (CalTrans) during a construction project, the department must obtain an Encroachment Permit from CalTrans. One condition of the Encroachment Permit is that the City must indemnify and hold the State harmless from any legal action arising out of injury to persons or property that might occur in the course of the use of the CalTrans property. The department must obtain Board of Supervisors approval for the City to enter into a hold harmless agreement with CalTrans. Therefore, each time a department requests an Encroachment Permit from CalTrans, the department must obtain Board of Supervisors approval to enter into a hold harmless agreement.
- The proposed ordinance would authorize blanket authorization for the Director of the Department of Public Works, the Parking and Traffic Commission, the Public Utilities Commission, the Port Commission, the Airports Commission and the Public Transportation Commission to enter into hold harmless agreements with CalTrans for the purpose of obtaining Encroachment Permits from the State for City-owned construction projects, without obtaining separate approval each time from the Board of Supervisors.
- Comments:** 1. Ms. Branston, Acting Director of DPW, requested the proposed amendment, on behalf of the DPW, and the other participating departments. Ms. Branston states that CalTrans issues approximately 10 Encroachment Permits per year to the DPW. Mr. Branston states that the proposed ordinance would expedite the Encroachment Permit process by eliminating the need for departments to receive separate Board of Supervisors approval each time that the City enters into a hold harmless agreement with CalTrans for the purpose of receiving Encroachment Permits from CalTrans.



2. Mr. George Wong of the City Attorney's Office, advises that the proposed blanket authorization for the subject departments to enter into Hold Harmless Agreements with CalTrans would not place the City at additional undue risk, and that it is reasonable to authorize these departments to enter into a blanket Hold Harmless Agreement with CalTrans for the purpose of obtaining Encroachment Permits for city-owned construction projects.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Government Efficiency and Labor Committee  
April 23, 1996 Government Efficiency and Labor Committee Meeting

Item 7 - File 65-96-7

**Department:** Port

**Item:** Ordinance approving a third amendment to the lease of real property between Franciscan Restaurant Inc. and the City for restaurant and retail uses at Pier 43 1/2, Fisherman's Wharf.

**Location:** Pier 43 1/2

**Purpose of Lease Amendment:** To provide rent credits to the Franciscan Restaurant for proposed improvements to renovate and expand the restaurant.

**Lessee:** Franciscan Restaurant, Inc.

**Lessor:** Port

**No. of Sq. Ft. and Rent per Month:** 13,223 square feet @ \$0.95 per sq. ft. or \$12,530.87 in minimum base rent per month, plus 6.5 percent of the gross sales for alcoholic beverages, 6.5 percent of the gross sales for food and 8.5 percent of the gross sales for retail merchandise. There is no minimum base rent for the outdoor crab stand but the items sold at the crab stand are subject to the same percentages of gross sales noted above which the lessee must pay the Port

The minimum base rent is subject to cost of living increases every five years, based on the San Francisco Bay Area Consumer Price Index. The percentages of gross sales are subject to review and adjustment every 25 years. If it is determined upon review that the percentages for like uses in San Francisco in the vicinity of the leased premises have increased or decreased, the percentages provided for under the lease shall be increased or decreased accordingly.

**Annual Amount:** \$150,370.44 per year in minimum base rent, plus 6.5 percent of the gross sales for alcoholic beverages, 6.5 percent of the gross sales for food and 8.5 percent of the gross sales for retail merchandise.

**Term of Lease:** May 1, 1970 to April 30, 2036 (66 years)

**Utilities and Janitor Provided by Lessee:** Lessee supports the cost of all utilities and janitorial services

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Description:**

The City owns the facility which is operated by Franciscan Restaurant, Inc. The space leased by Franciscan Restaurant Inc. includes (1) a 13,223 square foot building, containing a full service restaurant and bar and retail space and (2) an outdoor crab stand, which contains 1,282 square feet.

According to the Port, Franciscan Restaurant Inc. has made a number of changes in the restaurant's operations since July of 1995, which resulted in a 15 percent increase in sales for the six-month period ending December 31, 1995, as compared to the same time period for the preceding year. Attachment 1 provided by Mr. Kirk Bennett of the Port contains the sales for the six-month period ending December 31, 1995 and December 31, 1994. The Port advises that in order to further increase its sales, Franciscan Restaurant Inc. plans to completely renovate the Franciscan Restaurant. Such renovation would include (1) a complete remodeling of the first and second floors of the restaurant, (2) the relocation of the crab stand into the restaurant building, (3) renovation of the exterior facades of the building, and (4) renovation of the public access areas around the building. The total estimated cost of this proposed renovation is \$2,597,185 as shown in Attachment 2 provided by the Port.

In connection with the planned renovation of the building, Francisco Restaurant Inc. has requested that the Port grant Francisco Restaurant Inc. rent credits pursuant to the Port's Rent Credit Policy. The Port's Rent Credit Policy was adopted by the Port Commission in December of 1991. Under this policy, tenants which pay a percentage rent to the Port may be granted rent credits for improvements to their leased premises. The Rent Credit Policy establishes the following conditions for such rent credits being granted:

(1) The improvements "will contribute to higher revenue capacity, resulting in higher percentage rents to the Port.

(2) The tenants costs for the improvements are only partially reimbursable and the credits are structured to allow the Port to realize a higher return from the property as a result of the investment.

(3) Rent credits are taken against a portion of percentage rent overages (not minimum rents), with a limit on the time for the Port's recapture of costs.

(4) Rent credits must be negotiated between the Port and the tenant in advance and approved by the Port Commission prior to work commencing on the improvements.

(5) The amount of credit is limited to the documented cost of the work agreed upon by the Port and the tenant.

The Port advises that a maximum of \$1,898,185 of the projected \$2,597,185 in renovation costs for the Francisco Restaurant would be eligible for rent credits (see Attachment 2). Eligible costs include only permanent improvements, and exclude removable fixtures and maintenance work. According to the Port, Franciscan Restaurant Inc.'s rent credits will be limited to 50 percent of the eligible costs, or a maximum of \$949,093. The Port advises that once the proposed renovation is substantially completed, Franciscan Restaurant Inc. will be allowed to take rent credits on a monthly basis at a rate of 50 percent of each month's "overage rental" (consisting of the percentage due on gross receipts in excess of the minimum base rental for that month). Franciscan Restaurant Inc. would be able to continue taking rent credits until whichever of the following occurs first: (1) Franciscan Restaurant Inc. has received the full amount of the allowed rent credits, (2) seven years after the date of substantial completion of the renovation work (the renovation work is required to be substantially completed not later than 12/31/97), or (3) the lease terminates. "Substantial completion" of the renovation work, as defined in the proposed lease amendment, means the date upon which the tenant has obtained either a temporary occupancy permit or a final and unconditional certificate of occupancy, from the appropriate City department and the Bay Conservation and Development Commission (BCDC), permitting the tenant's occupancy of the premises after the improvements have been completed (see Attachment 3 for the lease provision defining "substantial completion").

The Port reports that, pursuant to the terms of the proposed lease amendment, when the proposed renovation has been substantially completed, the minimum base rental will increase by 50.4 percent from \$12,530.87 per month or \$150,370.44 annually to \$18,843 per month or \$226,116 annually. The \$226,116 equals the total rental paid (minimum base rent plus percentage of gross receipts) by Franciscan Restaurant Inc. to the Port for FY 1994-95 (see Attachment 4 showing these increased rentals).

Mr. Frederick White, Director of Tenant and Maritime Services of the Port advises that gross annual sales for the Franciscan Restaurant totaled \$3,866,688 or approximately \$292 per sq. ft. for FY 1994-95. According to Mr. White, Franciscan Restaurant Inc. projects that, based on the proposed renovations, annual gross sales will increase to a minimum of approximately \$445 per sq. ft. or \$5,884,235 based on conservative estimates to a maximum of approximately \$554 per sq. ft. or \$7,325,542. Mr. White advises that, based on the proposed renovations, and the estimated gross annual sales of Franciscan Restaurant Inc. that after rent credits, the Port would net an estimated minimum of an additional \$1.2 million to a maximum of an additional \$2.7 million in rent, over a ten year period. Attachment 5 is a table from the Port to the Budget Analyst containing such projections. The Port notes that Franciscan Restaurant Inc. will only receive rent credits if its gross sales actually increase. Additionally, according to the Port, in the event that gross sales actually went down following the renovation, the rent received by the Port will not decrease. The Port states that no decrease in rent would occur because, as noted above, the minimum annual base rental of \$150,370.44 will be increased to \$226,111, to include the amount of the percentage of gross sales paid by Franciscan Restaurant Inc. to the City for FY 1994-95.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



## PORT OF SAN FRANCISCO

+15%

Attachment 1

## EXHIBIT B

FRANCISCAN RESTAURANT RENOVATION  
CONSTRUCTION BUDGET AND  
COSTS ELIGIBLE FOR RENT CREDITS

	<u>Construction Budget</u>		
	<u>Total</u>	<u>Per Sq. Ft</u>	<u>Eligible Costs</u>
Architecture and Engineering	\$180,200	\$13.63	\$180,200
Building Construction	1,360,785	102.91	1,360,785
Kitchen Improvements	329,000	24.88	225,000
Retail Store Improvements	150,000	11.34	15,000
Piling Repairs	50,000	3.78	Ø
Furniture, Fixtures, and Equipment	500,000	37.81	90,000
Completion Bond	<u>27,200</u>	<u>2.08</u>	<u>27,200</u>
 Total	 <u>\$2,597,185</u>	 <u>\$196.41</u>	 <u>\$1,898,185</u>

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become a part of the realty;

- (ix) fees and other charges charged by the Port or by the City and County of San Francisco (including, without limitation, fees for building permits and plan checks) required for all work on the leased premises;
  - (x) all taxes, fees, charges and levies by governmental and quasi-governmental agencies for authorization, approvals, licenses and permits; and all sales, use and excise taxes for the materials supplied and services rendered in connection with the installation and construction of the Tenant Improvements;
  - (xi) all costs and expenses incurred to comply with all laws, rules, regulations or ordinances of any governmental authority for any work at the leased premises (excluding attorney's fees) in order to construct the Tenant Improvements; and
  - (xii) fees and other costs of the Completion Bond described in Sub-section 32(f) hereinbelow.
- (4) "Construction Plans" - The plans and specifications to be prepared by Tenant's architect and engineer for the construction of the Tenant Improvements, as such plans and specifications may be amended from time to time by Tenant and as reasonably approved by Port.
- (5) "Preliminary Plans" - The preliminary plans for the Tenant Improvements attached hereto as Exhibit "A".
- (6) "Substantial Completion, Substantially Complete, Substantially Completed" - The terms Substantial Completion, Substantially Completed and Substantially Complete shall mean the date upon which Tenant has obtained from the appropriate governmental authority either a temporary occupancy permit, or a final and unconditional certificate of occupancy (or equivalent) for the leased premises permitting occupancy of the leased premises after construction of the Tenant Improvements by Tenant with all work constituting the Tenant Improvements completed. Tenant shall be responsible for notifying Port in writing upon the occurrence of Substantial Completion.
- (7) "Tenant Improvements" - The improvements to be constructed and installed by Tenant on and around the leased premises as generally shown in the Preliminary Plans.
- (b) Construction. Tenant has provided Port with the Construction Budget, which

THIRD ADDENDUM TO LEASE No. L-7496  
BETWEEN  
THE CITY AND COUNTY OF SAN FRANCISCO, THROUGH THE SAN FRANCISCO  
PORT COMMISSION, LANDLORD

and

FRANCISCAN RESTAURANT, A CALIFORNIA CORPORATION,  
TENANT

This Third Amendment to Lease No. L-7496, dated for reference purposes only as March 1, 1996, is by and between the City and County of San Francisco, a municipal corporation ("City"), operating through the San Francisco Port Commission ("Port"), as landlord, and Franciscan Restaurant, a California corporation ("Tenant").

RECITALS

WHEREAS, by Lease No. L-7496, dated May 1, 1970, Port leased to Tenant certain real property in the City and County of San Francisco therein called "leased premises," which are more particularly described in said lease, and said lease has been amended by an Amendment to Lease dated September 5, 1970 and by a Second Amendment to Lease dated October 20, 1987 (collectively referred to herein as the "Lease"); and

WHEREAS, the parties desire that the Port provide Tenant, pursuant to the Port's Rent Credit Policy adopted by Resolution 91-118, with credits against percentage rent for certain improvements to be undertaken by Tenant to the leased premises, which are anticipated to expand Tenant's business, thereby increasing the potential financial return to the Port; and

WHEREAS, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, Port and Tenant do hereby modify the Lease as follows:

TERMS

1. Effective on the date of Substantial Completion (as defined in Section 32 hereof), Section 2.(a) of the Lease shall be deleted in its entirety and the following shall be substituted in its place:

2.(a) Minimum Rental. Commencing the first day of the calendar month immediately following the date of Substantial Completion, as defined in Section 32 hereof ("Effective Date"), Tenant shall pay the Port minimum rental of Eighteen Thousand Eight Hundred and Forty-Three Dollars (\$18,843.00) per month, subject to adjustment as provided hereinbelow. Tenant shall pay the minimum rental, in advance, on or before the first day of each calendar month throughout the lease term.

## RENTAL CREDIT ANALYSIS

Prepared by: Kirk Bennett

## FRANCISCAN RESTAURANT

CONSERVATIVE PROJECTION  
(4% annual sales growth)

	Base Year 1994/95	Pro Forma 1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2005/06	2006/07	Totals 1996/97 - 2006/07
Gross Sales												
Restaurant	\$2,970,496	\$4,939,980	\$5,137,579	\$5,343,082	\$5,556,806	\$5,779,078	\$6,010,241	\$6,250,651	\$6,500,677	\$6,760,704	\$7,031,132	\$59,409,929
Retail	896,192	1,081,702	1,124,970	1,169,969	1,216,768	1,265,438	1,316,056	1,368,698	1,423,446	1,480,384	1,538,030	12,387,030
Total	\$3,866,688	\$6,021,682	\$6,262,549	\$6,513,051	\$6,773,573	\$7,044,516	\$7,326,297	\$7,619,349	\$7,924,123	\$8,241,088	\$8,570,731	\$72,596,959
Per Sq. Ft.	\$392.42	\$455.39	\$473.61	\$492.55	\$512.26	\$532.75	\$554.06	\$576.22	\$599.27	\$623.24	\$648.17	\$5,467.52
Percentage Rent												
Restaurant	\$168,494	\$321,099	\$333,943	\$347,300	\$361,192	\$375,640	\$390,666	\$406,292	\$422,544	\$439,446	\$457,024	\$3,855,145
Retail	\$7,617	91,945	93,622	99,447	103,425	107,562	111,865	116,339	120,993	125,833	130,866	1,103,898
Total	\$226,111	\$413,043	\$429,565	\$446,748	\$464,618	\$483,202	\$502,530	\$522,632	\$543,537	\$565,278	\$587,890	\$4,959,043
Effective % Rent	5.8%	6.2%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	
GPI												
Minimum Rent	\$133,289	\$226,116	\$226,116	\$226,116	\$226,116	\$248,728	\$248,728	\$248,728	\$248,728	\$248,728	\$273,600	\$2,421,702
Percentage Overage Rent	\$92,822	\$186,927	\$209,449	\$220,632	\$238,502	\$234,475	\$253,803	\$273,904	\$294,809	\$316,551	\$314,289	\$2,337,341
Percentage Rent Credits to Tenant		\$93,464	\$101,725	\$110,316	\$119,251	\$117,237	\$126,901	\$136,952				\$805,846
Total Rent to Port		319,580	327,841	336,432	345,367	365,965	375,629	385,680	\$43,537	\$65,278	\$87,890	\$4,153,197
*No Project* Projection												
Base Year Sales with annual increase of 4%	\$3,866,688	\$4,182,210	\$4,349,498	\$4,523,478	\$4,704,417	\$4,892,594	\$5,088,298	\$5,291,830	\$5,503,503	\$5,723,643	\$5,952,589	\$50,212,058
Percentage Rent	\$226,111	\$244,562	\$254,344	\$264,518	\$275,099	\$286,103	\$297,547	\$309,449	\$321,826	\$334,700	\$348,087	\$2,936,233
Additional Rent to Port from Project		\$75,018	\$73,496	\$71,914	\$70,268	\$79,862	\$78,082	\$76,231	\$72,170	\$730,579	\$239,802	\$1,216,964

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PORT OF SAN FRANCISCO  
RENTAL CREDIT ANALYSIS

Date: 03/15/96  
Prepared by: Kirk Bennett

FRANCISCAN RESTAURANT

AGGRESSIVE PROJECTION  
(6% annual sales growth)

	Base Year 1994/95	Pro Forma 1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2005/06	2006/07	Totals
Gross Sales												
Restaurant	\$2,970,496	\$6,243,180	\$7,014,837	\$7,435,727	\$7,881,871	\$8,334,783	\$8,856,070	\$9,387,434	\$9,950,680	\$10,547,721	\$11,174,768	\$82,990,075
Retail	896,192	1,081,702	1,215,400	1,388,324	1,566,624	1,747,561	1,934,415	2,126,480	2,323,692	2,526,313	2,733,692	18,237,692
Total	\$3,866,688	\$7,324,882	\$8,230,237	\$8,824,052	\$9,448,495	\$10,082,344	\$10,790,485	\$11,513,914	\$12,274,372	\$13,074,034	\$13,908,460	\$100,227,767
Per Sq. Ft.	\$292.42	\$553.95	\$587.19	\$622.42	\$659.76	\$699.35	\$741.31	\$785.79	\$832.94	\$882.91	\$935.89	\$7,301.50
Percentage Rent												
Restaurant	\$168,494	\$405,807	\$455,964	\$483,322	\$512,322	\$543,061	\$575,645	\$608,728	\$646,794	\$685,602	\$726,319	\$5,348,855
Retail	\$7,617	\$9,945	\$10,309	\$10,508	\$10,718	\$10,943	\$11,175	\$11,415	\$11,666	\$11,921	\$12,181	\$94,904
Total	\$226,111	\$497,751	\$552,616	\$593,830	\$623,040	\$654,004	\$687,420	\$720,143	\$758,460	\$797,223	\$838,500	\$5,443,759
Effective % Rent	5.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
CPI												
Minimum Rent	\$133,289	\$226,116	\$226,116	\$226,116	\$226,116	\$226,116	\$226,116	\$226,116	\$226,116	\$226,116	\$226,116	\$2,421,702
Percentage Overage Rent	\$92,822	\$271,635	\$331,500	\$333,157	\$366,714	\$379,072	\$417,376	\$457,342	\$499,706	\$544,612	\$592,340	\$4,139,036
Percentage Rent Credits to Tenant		\$135,818	\$150,750	\$166,579	\$183,357	\$189,836	\$122,753	\$0				\$949,093
Total Rent to Port		\$361,934	\$376,866	\$392,695	\$409,473	\$438,964	\$443,351	\$706,070	\$748,434	\$793,340	\$840,940	\$5,611,666
"No Project" Projection												
Base Year Sales with annual increase of 4%	\$3,866,688	\$4,182,210	\$4,349,498	\$4,523,478	\$4,704,417	\$4,892,594	\$5,088,298	\$5,291,830	\$5,503,503	\$5,723,643	\$5,952,589	\$50,212,058
Percentage Rent	\$226,111	\$244,562	\$254,344	\$264,518	\$275,099	\$286,103	\$297,547	\$309,449	\$321,826	\$334,700	\$348,087	\$2,936,233
Additional Rent to Port from Project		\$117,372	\$122,522	\$128,177	\$134,374	\$152,461	\$245,804	\$396,621	\$426,608	\$458,641	\$492,853	\$2,675,433

Item 8 - File 172-96-7

**Department:** Public Transportation Department (PTD)  
Municipal Railway

**Item:** Ordinance approving an agreement between the City, through its Municipal Railway, and three Bay Area transit agencies, to provide regional database for route, schedule and fare information so that passengers can plan regional trips.

**Agreement Amount:** None. However, MUNI would be required to provide staff time valued at \$35,300

**Source of Funds:** In-kind contribution would be supported by the FY 1995-96 Municipal Railway Operating Budget

**Description:** The proposed ordinance would approve an agreement creating a pilot program between the City, the Bay Area Rapid Transit District (BART), the Alameda Contra Costa (AC) Transit District and the Metropolitan Transportation Commission (MTC) to test an automated trip planning system (TranStar) in MUNI's Telephone Information Center. This pilot project would commence October 1, 1995 and end March 31, 1997. (See Comment 3.) The pilot project would be coordinated by BART, and funded by a combination of Federal Transit Administration (FTA) grant monies of \$306,250, MTC grant monies of \$99,000, and in-kind contributions from the participating agencies totaling \$207,250 (see below).

The purpose of the TranStar project is to provide computerized information to travelers to allow them to plan trips involving more than one transit system. Travelers would call the MUNI's existing Telephone Information Center (TIC), which has current authorized staff of eleven FTEs. These eleven positions are funded by MUNI Operating Funds. TIC clerks would input departure and arrival points, time of travel, and optional information such as fare, wheelchair needs, and shortest walking distance. Information regarding routes, transit agencies, scheduling, etc. would appear on the computer screen and would be relayed to the caller; information may also be printed and sent to the caller. According to Ms. Anne Milner of the PTD, the TranStar system is not estimated to increase the TIC's time per call; however, agents would be able to provide better customer service, including more complete information and alternative itineraries.

Memo to Government Efficiency and Labor Committee  
April 24, 1996 Government Efficiency and Labor Committee Meeting

MUNI would enter into the pilot program, along with BART, AC Transit, and MTC, and receive TranStar equipment from BART at no cost. The entire grant would fund a total of 36 workstations for all participating agencies, including personal computers, laser printers, and file servers. MUNI would receive eight personal computers, one laser printer, and one file server. In exchange, MUNI would provide staff time to set up and maintain the computer system and accompanying software. The MUNI staff time is valued at \$35,300 based on 1,858 hours at an average of \$19 per hour over the remaining eleven months of the project period.

**Budget:**

Cost to purchase workstations (at approximately \$11,257 per workstation for 36 workstations for all participating agencies, including all accompanying equipment such as cables, terminals, etc.)

405,250\*

Staff hours contributed by the participating agencies for training, database development and maintenance, and providing telephone information (see breakdown by agency, below)

207,250

**TOTAL**

**\$612,500**

\* This amount of \$405,250 represents all of the hard dollar costs associated with this project, including the FTA grant of \$306,250, and the MTC direct contribution of \$99,000, for a total of \$405,250.

As noted above, MUNI's contribution of \$35,300 includes approximately 1,858 hours at \$19 per hour.

**Comments:**

1. According to Ms. Milner, MUNI may withdraw from the pilot project at any time by returning the computer equipment to BART.

2. Ms. Milner advises that the total pilot project costs, including in-kind contributions from all participating agencies as well as FTA grant funding, is \$612,500. MUNI's in-kind contribution, valued at \$35,300, represents approximately 5.76 percent of the total project costs. The percentages of the contributions for all participating transit agencies in the pilot program are as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
April 24, 1996 Government Efficiency and Labor Committee Meeting

<u>Agency</u>	<u>Percent</u>	
FTA	50.00	\$306,250
<u>Local Match</u>		
MTC	28.87	\$176,856 <sup>a</sup>
AC Transit	7.48	45,787 <sup>b</sup>
BART	7.48	45,787 <sup>b</sup>
MUNI	5.76	35,300 <sup>b</sup>
CCCTA	<u>.41</u>	<u>2,520<sup>c</sup></u>
Subtotal		<u>306,250</u>
TOTAL	100.00%	\$612,500

<sup>a</sup>Includes \$99,000 in cash and \$77,856 in in-kind contributions

<sup>b</sup>Includes in-kind contributions only

<sup>c</sup>Contra Costa County Transit Authority (CCCTA), which is a funding agency in Contra Costa County similar to the San Francisco Transportation Authority, withdrew from the project in December, 1995, having already contributed \$2,520 in in-kind contributions.

3. Although BART and AC Transit have already begun to implement this project, MUNI has not begun implementation. Therefore, even though the pilot project began in October, 1995, the proposed ordinance does not need to be amended for retroactivity.

4. This agreement contains an indemnity provision, which states that each individual participant will take financial responsibility for any damages it causes. According to Mr. Scott Emblidge of the City Attorney's Office, the risks associated with this indemnity provision are minimal in regard to this agreement, since it is unlikely that there will be any damages associated with providing computerized transit route information.

**Recommendation:**

We recommend approval of the proposed ordinance, except that we consider the indemnity provisions to be a policy matter for the Board of Supervisors.





Item 9 - File 25-96-5

**Department:** District Attorney  
Family Services Bureau

**Item:** Resolution concurring with the Controller's certification that legal process server services can continue to be practically performed for the District Attorney's Family Support Bureau, by a private contractor for a lower cost than similar services performed by City and County employees.

**Services to be Performed:** Legal Process Service

**Description:** Charter Section 8.300-1 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for legal process service for the District Attorney's Family Support Bureau for FY 1996-97 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$250,270	\$295,452
Fringe Benefits	91,673	100,574
Operating Expenses	<u>59,040</u>	<u>59,040</u>
Total	\$400,983	\$455,066
 <u>Contractual Services Cost</u>	 158,914	 158,914
 <u>Estimated Savings</u>	 \$242,069	 \$296,152

- Comments:**
1. An outside contract for legal process service for the District Attorney's Family Support Bureau was first certified, as required by Charter Section 8.300-1, in Fiscal Year 1985-86, and these services have been provided by an outside contractor since then.
  2. The Family Support Bureau's current contract for legal process services is with Aero Special Delivery Services, Inc.,

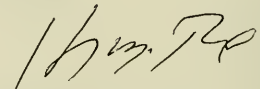
which is an LBE firm. Mr. Merlin Zimmerly of the District Attorney's Family Support Bureau advises that Aero Special Delivery Services, Inc. has a pending application with the Human Rights Commission for certification as a WBE firm. The Department advises that Aero Special Delivery Services, Inc. provides health insurance for its employees.

3. For FY 1996-97, the contract for legal process services will be put out to bid by the Purchaser. The current contract's expiration date is June 30, 1996.

4. The Contractual Services Cost used for the purposes of this analysis is an estimate prepared by the Family Support Bureau based on their projected FY 1996-97 volume of legal process service required, and on the cost of these services in prior years.

5. The Controller's supplemental questionnaire, with the Department's responses, is attached.

**Recommendation:** Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Teng  
Supervisor Yaki  
President Shelley  
Supervisor Kaufman  
Supervisor Alioto  
Supervisor Bierman  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Margaret Kisliuk  
Paul Horcher  
Ted Lakey

CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE

Attachment

DEPARTMENT: D.A. Family Support Bureau

CONTRACT SERVICES: Legal Process Service

CONTRACT PERIOD: July 1, 1996 - June 30, 1997

- (1) Who performed activity/service prior to contracting out?

Four Family Support Bureau staff, 2 8102 Process Servers and 2 8158 FSB Investigator IIs. At that time, however, the volume of required services was significantly lower than the current need.

- (2) Number of City employees laid off as a result of contracting out?

Two vacant position (2 8102s) were deleted in FY 84/85 budget.

- (3) Explain disposition of employees if they were not laid off?

N/A

- (4) What percentage of City employee's time is spent on services to be contracted out?

N/A

- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

Ten years. Ongoing.

- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

Fiscal Year 1985-86. Yes.

- (7) How will contract services meet the goals of your MBE/WBE Action Plan?

Unknown - these services are awarded on the basis of a low bid in response to a Purchasing Department contract proposal. While Family Support seeks out and advises prospective minority and women owned firms on the nature of the service, selection of a contractor is accomplished by the Purchaser.

- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees?

Unknown - The Purchaser bids out and awards these services.

Department Representative: Merlin Zimmerly

Telephone Number: (415) 356-2979

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